

**FBIS**

# DAILY REPORT

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*China*

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BAN YUE TAN DISCUSSES AMERICAN DEMOCRACY

HK300325 Beijing BAN YUE TAN in Chinese No 5, 10 Mar 87 pp 24-27

[Article by Peng Di (1756 6611), secretary of the Secretariat of the All-China Journalists Association, commentator of XINHUA NEWS AGENCY, and chief reporter of the XINHUA Washington Branch: "A Random Talk on American Democracy"]

[Text] The United States calls itself a democracy. But there is praise and censure among Americans themselves for their democratic system. Some indulge in self-glorification, others are reluctant to praise it, and still others say that it is sham. However, none of them say it is perfect.

It may be a little too biased to say that democracy in the United States is a complete sham. The American people would not tolerate their country being ruled by a handful of people in a way in which democracy is completely ignored. They have a historical tradition of striving for national independence and democratic rights. The first Americans won independence from British colonial rule through an armed revolution. The principle of equality among men asserted in the Declaration of Independence issued during the initial national construction period (July 1776) remains to this day the objective for which the American people fight. To abolish the extremely undemocratic and unequal system of enslavement of the black people and to develop the capitalist economy characterized by free competition, they waged protracted struggles, including the Civil War between the North and South which lasted for 4 years (1861-1865). The civil rights movement to further strive for equality and democratic rights for the black people has lasted intermittently up to this time. The famous black leader Martin Luther King was assassinated during the mighty struggle for civil rights (1968). To date his stirring speech "I Have A Dream" has been the ideal of common struggle in unity for the American people, black and white.

There have been advances and setbacks in the arduous struggles waged by the American workers against the system of exploitation and for economic and democratic rights and interests. During the 1950's when the McCarthy anticommunist doctrine was rampant, Americans waged a struggle and resistance against the perverse fascist acts. The large-scale mass movement against the Vietnam war and the exposure and criticism of the "Watergate affair" in the 1960's to 1970's manifested the American people's just stand against a war of aggression and dirty politics.

The establishment and revision of the American Constitution also reflects the process of a pro-democracy and anti-democracy struggle in the United States. The Constitution adopted in 1787 mainly stipulated the methods to establish the American presidency and the ruling organs -- legislative, judicial, and executive -- and the division of authority among them. It was after some 20 constitutional amendments were successively made later on that some more specific clauses for guaranteeing civil rights were added to the Constitution. For example, the right to vote for the black people and women's right to vote were enshrined in the Constitution respectively in 1870 and 1920. However, the genuinely equal status of black people in the political, social, and economic arenas and the right to equal pay for equal work for men and women demanded by women have not yet been realized so far.

It can thus be seen that the current American political system, which took shape in the course of the concrete political, economic, and social development in American history, is the outcome of the prolonged struggles and compromises between the rulers and the ruled and between the various political and economic forces or interest groups among the rulers. [paragraph continues]



It is a reflection of the current balance of class forces in the United States. With some concrete analysis, it can be easily seen that Americans seem to enjoy equal democratic rights in word or in form, but in essence or in reality, the rights in the hands of the minority are enormous and those in the hands of the majority very few.

One of the primary ways for Americans to exercise their democratic rights is to elect the President and members of Congress. Any adult American citizen has the right to vote. [as published] American citizens who have reached a certain age and who have been resident in the United States for a certain number of years also have the right to stand for election. A presidential candidate must be 35 years old, must have stayed in the United States for 14 years, and must also be an American-born citizen. As a country with a large number of immigrants, these legal provisions tally with the national condition of the United States. A more important characteristic of American elections is the large-scale presidential election activity which is held every 4 years and lasts for 1 or 2 years. During this complex and long process, people running for the presidency will tour the country to vie with one another in meeting the voters and shaking hands with them. Open debates will be held among the candidates in a lively atmosphere and the scenes are always full of bustle and excitement.

However, in the final analysis, all these are superficial phenomena. Although we cannot say they are completely meaningless, they serve as a cover for many unequal and undemocratic relations. Let me illustrate with examples.

Elections in the United States are from beginning to end monopolized by the Democratic and Republican Parties. Presidential candidates are sorted out and proposed by the various forces of the two parties without soliciting the opinions of the people in an extensive way. Ordinary voters not belonging to any powerful parties or groups of power and influence do not have any real right to speak on the question of whom to choose as candidates. So long as the candidates are thus determined, the voters have to decide either to vote or not and there are no other choices left for them. An influential American weekly, U.S. NEWS AND WORLD REPORT, said: "Choosing a President is a complex and confusing job. Ordinary voters have little right to state their views on this issue until election day."

Apart from engaging in a trial of political strength and influence, presidential candidates have to undergo a trial of financial strength. The amount of material and financial resources spent by the candidates on greeting and entertaining voters all over the country is amazing. Only the wealthy can afford such an outlay. Generally speaking, a candidate without funds worth tens of millions of U.S. dollars will find it very difficult to go ahead with the election. In the previous (1984) American election, the election costs of the former Vice President Walter Mondale amounted to \$26 million and that of another Democratic candidate, Gary Hart, totaled \$14 million or more. These funds were mainly provided by many big corporate enterprises, influential and powerful groups, and wealthy voters under various names and in various forms. No matter who is elected president, naturally he must speak in favor of and work for the interests of these backstage supporters. In reality many candidates are themselves important members of these groups. For example, most of the eight Democrats who ran for the presidency in the previous election are millionaires. The family property of Ohio Senator John Glenn amounts to \$7 million and the personal income of Mondale is \$500,000. It can thus be seen that to be the master of the White House, ordinary people are not qualified. No wonder some Americans say: American elections are "the game of the wealthy and the democracy of the U.S. dollar."

Moreover, although open debates between candidates from the two parties are lively and spectacular in form, we should not overestimate their democratic significance. In reality there is no essential difference between the strata represented by the leaders of the two parties and their basic state policies. It is better to say there are two factions of a party than that there are two parties. In a debate, candidates seek differences on common ground and deliberately try to create something new and original, lavish praise on themselves, and attack their counterparts by making caustic remarks by fair means or foul. In 1972 the Republican Party wiretapped the Democratic Party's election information. Hence, there was the "Watergate" scandal. In 1984 some of the Democratic Party's restricted election materials disappeared without trace and then turned out to be in the hands of the Republican party.

With the development of the television industry, propaganda through television has become a powerful tool, making election activities more commercialized and dramatic. Any candidate who manages to spend more time on the television screen and is highly skilled in pleasing the public with claptrap is very likely to win more votes. Television election advertisements have become rare goods. It costs more than \$1,000 per second to put some of these advertisements on television. The real value and credibility of such political advertisements are not necessarily higher than those of commercial ones.

Whether it is judged from on or behind the stage, this American-style election belongs, in a greater sense, to democracy shared only by some people. Promises made in elections are mostly exaggerative and false or unsubstantial.

Another important way for Americans to exercise their democratic rights is to reflect social opinion through news media. With their large numbers and mighty influence, news media in the United States is indeed a powerful tool. Many American newspaper people of integrity reflect the people's opinions and dare to expose and criticize current failings, thus displaying the democratic spirit of the American people. However, as this reporter sees it, American public opinion is handicapped by at least two factors.

First, the main American mass media is in the hands of wealthy and influential people closely related to the main American groups of power and influence and organs of power (central and local). Although more often than not, they claim to be politically independent and although they hold different views among themselves on some specific policies and their views are not necessarily the same as those of the government, if we read the editorials of some newspapers and magazines over several successive months, we find that as property owners, their basic stand is identical with that of the United States as a superpower and they cannot tolerate dissenting political views.

Second, the professionals nurtured by American society who are used by the main American mass media maintain unity with the country's ruling ideology in the basic political stand and the concept of value. Otherwise, their articles and reports will not be published in the newspapers and they are most likely to lose their jobs and to run into other troubles. This unwritten, invisible pressure can be felt everywhere in the United States.

Therefore, the people's opinions are reflected by the American mass media in a limited and selective way and kept basically within the limits permitted by the various American ruling groups. All opinions transcending these limits will be unable to enter the "elegant" major newspapers. They may be published in small mimeograph newspapers, but can hardly create any influential opinion.

Let me cite an example everybody already knows. This reporter has lived in the United States for many years but failed to find any major American newspapers that clearly expressed their opposition to U.S. intervention in China's internal affairs and their demand for an immediate halt to U.S. arms sales to Taiwan. Are there really no such people in the United States who hold this view? Of course not. My extensive contacts with personalities of various circles in the United States, including many persons of the same trade, left me with the impression that most of them are opposed to the policy of intervention and do not favor continued arms shipments to Taiwan. The problem is that major American newspapers do not approve of the publication of such real popular will.

With this article I have no intention of analyzing the American political system in an overall way and just want to discuss my sketchy personal impressions of the issue. I have discussed my views at length and so let me close my article with the above example.

#### ZHONGGUO QINGNIAN BAO PROFILES WILLIAM WEBSTER

HK300635 Beijing ZHONGGUO QINGNIAN BAO in Chinese 10 Mar 87 p 2

["Man in the News" column by Ding Kuisong (0002 1145 2646): "Let Us See the Prowess of This Person -- Webster Is Nominated as CIA Director"]

[Text] Since the Irangate affair was brought to light, important personalities in the Reagan administration have resigned one after another. After Casey left office, the nomination of Robert M. Gates as CIA chief was cancelled because of his involvement in the Irangate affair. Two days later, the name of William Webster came up....

#### A Single Case That Determined His Future [subhead]

During the Korean War in the 1950's when a U.S. naval fleet was on duty, a sailor was charged with the theft of some batteries on the ship. The ship concerned designated a lieutenant to defend that ill-fated sailor, and the lieutenant found that the sailor in question was ignorant of his right to find someone to defend his case before the trial, so the lieutenant allowed him to keep silent. Later, his supervisor had to put the case on file and let it close, and the record said: Because of the lieutenant's intervention, "no confession is available." The lieutenant was later questioned on this and commended by the fleet headquarters and the case was later recorded in the military statute book as an example. That lieutenant was none other than William Webster.

Webster was born in St. Louis, Missouri in March 1924. He was enrolled in Amherst College after his high school graduation, and joined the Navy during World War II. He got his Doctor of Law degree from the University of Washington in 1949, and became a lawyer after the Korean War. Since then he has become closely connected with the law circles, beginning as a low ranking law examiner to a judge of the U.S. Court of Appeals in Missouri. Webster said years later: That case in the fleet "changed everything, and greatly affected my whole life."

#### Exorcising Hoover's Ghost [subhead]

The most admired feat of Webster is his restoration of the reputation of the FBI. J. Edgar Hoover, who had held office as FBI chief for almost half a century, passed away in the early 1970's. [paragraph continues]



However, his ghost always haunted his successors, with his subordinates fooling the new chiefs and the emergence of endless scandals. Dirty jobs were continuously brought to light -- illegal bugging by FBI men, their intruding in private residences, spying on personal letters -- because of these, some FBI men even got involved in lawsuits, and the FBI was demoralized under the attack from all sides. In January 1978, after a long selection process, President Carter appointed Webster FBI director, with the recommendation of Attorney General Bell.

At first, people did not pin much hope on this mild judge, believing him to be just a nice guy and a "yes man." However, he adopted a series of radical reform measures as soon as he took office: First, there was the appointment of new personnel, with three deputy directors selected to take the place of Hoover's administrative council; upgrading the cultural quality of the whole bureau; and paying attention to recruiting new officials among women, black people, and minority nationalities. Second, there was a shift of the tracking targets from escaped convicts, theft, and bank-robbery cases to white collar criminals, drug traffickers, and terrorists, and a strengthening of undercover operations. Third, there was the setting up of an electronic computer network to improve efficiency in routine work and the cracking of criminal cases. Fourth, there was a change from the unreasonable and rough style characterized by Hoover, requiring straightforwardness, personally studying all kinds of documents, and refraining from readily believing in others' views.

These radical reform measures soon got rid of Hoover's ghost and restored people's confidence. Under Webster's leadership, the FBI has in recent years cracked several Mafia organizations and many drug trafficking groups in several big cities including Philadelphia and Cleveland. By 1985, the FBI had successfully prevented at least 23 terrorist attacks.

#### A Low Key Salesman [subhead]

Webster is meticulous in his behavior and clear in his speeches. He never makes himself conspicuous in public, often appearing in a checked or black suit, matched with a striped tie. He appears to be easy to get along with, but conservative in his speech with others. However, he never loses a chance to promote the FBI in public. Whenever he makes contact with the press circles, the law circles, and the academic circles, he tries to improve the FBI's image. At a gathering marking the first anniversary of his taking the FBI office, Webster devoted 51 minutes to citing the feats of the bureau in a speech. He loves to play tennis, and asks his wife to bring along his tennis rackets when they are travelling. Not long after he took office, he found it a good way to come into contact with people in Washington D.C. He plays tennis with his FBI colleagues as well as congressmen, and even occasionally with some commentators of the press circles who are not so friendly with the FBI, to strengthen the ties with all circles.

Webster's ways have brought him successes, and the media circles praise him as a "low key salesman."

Webster is a Republican. Even so, press circles and observers believe that his nomination will surely be approved by the Senate. But the crucial question is, will this good tennis player who has restored the reputation of the FBI continue to play another successful game?

VICE PREMIER MEETS U.S. BANKING EXECUTIVE

OW301423 Beijing XINHUA in English 1311 GMT 30 Mar 87

[Text] Beijing, March 30 (XINHUA) -- Chinese Vice-Premier Li Peng met here today-Barry Sullivan, chairman of the First National Bank of Chicago, and his party.

The two sides exchanged views on China's items of investment in energy development.

The First National Bank of Chicago is the tenth largest commercial bank in the United States and has a good cooperation with the Bank of China.

Chen Muhua, Chinese state councillor and governor of the People's Bank of China, also met Sullivan and his party here at noon.

STATE COUNCILLOR GU MU MEETS ATLANTA MAYOR

OW301421 Beijing XINHUA in English 1302 GMT 30 Mar 87

[Text] Beijing, March 30 (XINHUA) -- Chinese State Councillor Gu Mu met here today Andrew E. Young, mayor of Atlanta of the United States.

Gu Mu hopes that the cooperation between Atlanta and some Chinese economic departments concerned would further develop.

The American guests have come to find out the situation of infrastructure in some Chinese cities and discuss the possibility of cooperation.

HUANG HUA HOSTS RECEPTION FOR EDGAR SNOW'S WIDOW

OW311425 Beijing XINHUA in English 1313 GMT 31 Mar 87

[Text] Beijing, March 31 (XINHUA) -- Huang Hua, vice-chairman of the National People's Congress Standing Committee, hosted a reception tonight honoring Lois Snow, widow of Edgar Snow.

The former Mrs Snow is in Beijing to rehearse the American play "Our Town" with artists from China's Central Experimental Drama Theater.

Among those present at the reception were Mrs Snow's assistant, Zhang Wenjin, Rewi Alley, George Hatem and his wife, Sol Adler and his wife, and Ruth Coe.

BANKING OFFICIAL ON FINANCIAL REFORM AT NY FORUM

OW010442 Beijing XINHUA in English 0114 GMT 1 Apr 87

[Text] New York, March 31 (XINHUA) -- A senior Chinese banking official said here today that China would continue to pursue the outward looking policy in its financial reform.

This policy initiative, set in motion seven years ago, is needed to "promote the development of the socialist commodity economy" in China, noted Shang Ming, special advisor to the People's Bank of China, the Chinese central bank.



He spoke at a symposium on China's new initiatives in developing financial relations at the Hotel Pierre in New York. More than 100 financial and business executives from the United States were present at the meeting.

Under the open-door policy, China has made big strides in broadening its external ties with foreign banking community over the past few years. The Bank of China, for example, has established 310 overseas subsidiaries and maintains correspondent relations with 1,235 overseas banks in 152 countries and regions.

China now is a member of the World Bank, the International Monetary Fund, the Asian Development Bank as well as the African Development Fund and the African Development Bank.

Internally, Shang said that China has built a multi-tiered financial industry in place of the once mono-banking system offering a host of services unavailable in the past.

At present, under the supervision of the central bank, there are a variety of specialized banks, including Industrial and Commercial Bank, Agricultural Bank, the Bank of China, and construction and investment banks.

Customers now can have a wide choice of financial instruments instead of the monotonous bank credit as it was the case in the past, he added.

He said the reform in the financial area "is still preliminary" and China would continue to move toward a more open and diversified financial system.

The one-day symposium was sponsored by the Hong Kong financier Eric Hotung in association with the People's Bank of China, CHINA DAILY, the English newspaper in China, and the CHINA DAILY news groups in the United States.

KIM IL-SONG DESIRES PRC VISIT, MEETING WITH ZHAO

OW311151 Tokyo KYODO in English 1140 GMT 31 Mar 87

[Text] Beijing, March 31 KYODO -- North Korean leader Kim Il-song wants to visit China informally before October for talks with Zhao Ziyang, Chinese premier and acting Community [as received] Party general secretary since Hu Yaobang resigned in January. Eastern diplomatic sources said Tuesday.

The sources, quoting North Korean Government officials, told KYODO NEWS SERVICE that Kim would meet Zhao before October when China will hold its 13th Community [as received] Party congress.

Kim's visit to China has been under discussion by the two nations for realization within this year, they added.

The sources also said the two countries are considering Dandong, in Liaoning Province, northeast China, near the Chinese-North Korean border, as a place for the meeting.

The city has been mentioned as a candidate site because the previous North Korean-Chinese leaders' meeting, between Kim and former party General Secretary Hu in May 1985, was held in a North Korean border city, Sinuiju, the sources said.

The sources said China would prefer to welcome Kim in Beijing as an official guest, but might accept the North Korea proposal.

Kim's visit to China is aimed mainly at discussing bilateral relations.

Other topics would include China's economic assistance to North Korea, the Olympic Games to be held in Seoul, South Korea in 1988, and relations with the United States concerning the problem of North-South detente, the sources said.

The sources said the planned Kim-Zhao meeting might lead to strengthened bilateral ties, including the resumption of annual mutual visits by the two top leaders as agreed in the 1985 meeting.

Kim and Hu also agreed in 1985 that China would offer Beijing as a place for a North Korea-U.S. meeting.

RENMIN RIBAO REVIEWS DORMITORY CASE IN JAPAN

HK310570 Beijing RENMIN RIBAO in Chinese 23 Mar 87 p. 6

[Article by Fu Zhu (0265 6999): "On the Question of Recognition in the Guanghua Dormitory Case"]

[Excerpts] In its second court decision on 26 February, Japan's Osaka Higher Court again erroneously handled the Guanghua [Kakari] dormitory case as an ordinary civil case. In defiance of the legitimate rights and interests and the justifiable demands of the PRC Government, it maintained the second court decision of the Kyoto District Court and affirmed the series of erroneous viewpoints in the previous decisions of the Japanese courts, as well as their expert reports, which openly violated the Sino-Japanese Joint Declaration and engineered "two Chinas," thus making the political and legal problems of the Guanghua dormitory case even more complicated.

Since the start of the legal proceedings in 1967, the Guanghua dormitory case has been dragging on for 20 years, during which there have been various changes in the situation, such as the official recognition of the PRC Government by the Japanese Government, the release of the Sino-Japanese Joint Declaration, and the conclusion of the Sino-Japanese Treaty of Peace and Friendship. These legal facts have a great influence on the trial of the Guanghua dormitory case. Because of Japanese Government has recognized the PRC Government, the question of whether or not the Japanese courts can continue to handle legal proceedings on China's state property initiated by the "Republic of China" has become a crucial legal issue in this case. It is a major issue of political principle not only affecting the rights and wrongs of the Guanghua dormitory case, but also having a direct bearing on whether or not the Japanese side can faithfully carry out the Sino-Japanese Joint Declaration and the Sino-Japanese Treaty of Peace and friendship. [passage omitted]

In this case, regarding the qualifications of the Taiwan authorities to appear in court, the Japanese side tried to casually mention the so-called "Republic of China" government as "a simple sign" in order to weaken the serious political nature of this case. It was a pity that the Japanese courts and their legal experts did not regard the so-called "Republic of China" government as merely a sign devoid of any political significance. In explaining the right of the so-called "Republic of China" government as merely a sign devoid of any political significance. In explaining the right of the so-called "Republic of China" government to conduct legal proceedings, the verdict and the expert legal report of the court tried a defense of saying that "ever since the founding of the PRC, the government of the Republic of China has practically exclusively and steadily controlled and ruled Taiwan and its surrounding islands and the people in that region for a long time" and, therefore, can be regarded as an "unrecognized de facto regime." The expert legal report also quoted in its defense some cases in which the courts of some states heard lawsuits brought by de facto governments which had not been recognized by the governments of those countries. In this case, the Japanese court did not regard the plaintiff as an ordinary subject in a civil law but as a "de facto regime." [passage omitted]

To demonstrate that the Taiwan authorities are an "unrecognized de facto regime," the legal expert report has explained the Sino-Japanese Joint Declaration in a distorted manner, saying that "regarding the position that 'Taiwan is a part of the PRC's territory,' Japan has avoided the modes of expression such as 'agree' and 'recognize' but has merely stayed at 'understanding' and 'respecting' this position." "Japan does not assume the legal responsibility to deny the existence of this regime and this relationship has not changed since the establishment of diplomatic relations with the PRC." This has raised a question of basic principles in international law, that is, what does the recognition of the PRC Government by the Japanese Government mean in reference to the legal status of Taiwan? As everybody knows, in establishing diplomatic relations with a country since its founding, the PRC has always insisted on a precondition that the other party should recognize that the PRC Government is the only legitimate government of China and that Taiwan as an inseparable part of Chinese territory. In the Sino-Japanese Joint Statement, the Japanese Government expressed its "full understanding and respect" for the Chinese Government's position on the Taiwan status" and stated that it would "uphold its stand on observing Article 8 of the Potsdam Proclamation." [passage omitted] If the Japanese Government recognizes the PRC Government as the only legal government of China, it must rule out the existence of any other entities professing to be governments. Genuine recognition necessarily means severing all official relations with the Taiwan authorities and consistently acting according to this prerequisite.

Chen Tiquang: "The PRC and the Question of Recognition," carried in "China's International Law Yearbook," 1985 p 26) [paragraph continues]



In law, "full understanding and respect" should never be interpreted as freedom to violate and undermine. According to the principle of international law that there should be one government in our country, the recognition of the PRC Government by the Japanese Government can only be interpreted in law as a withdrawal of its recognition of the government of the "Republic of China" and in no other way. [passage omitted]

The current development of the Guanghua dormitory case reflects some unsound factors in Sino-Japanese relations. In the final analysis, the Guanghua dormitory case is a question of recognition and a question of the Japanese Government's position toward Japan-Taiwan relations. On the one hand, the Japanese Government keeps on saying that "the PRC is the only legitimate government of China and Japan-Taiwan relations only stay at the level of practical affairs"; on the other hand, the Japanese courts accepted and tried a lawsuit with the so-called "Republic of China" as the plaintiff and declared China's state property as belonging to the Taiwan authorities, thus explicitly recognizing in law the Taiwan authorities as a "de facto regime," and an "old government of China that has not completely withered away." This cannot but make people suspect that, in its relations with China, the Japanese side pays lip service to "one China" but actually engages in the two Chinas policy. True, all countries have the right to freely choose their own political systems. However, the Guanghua dormitory case is not purely a matter of Japanese domestic law. It directly involves the sovereignty of another state and the international duty assumed by the Japanese Government. According to the principles of international law, a treaty must be observed and a country cannot cite its domestic law to avoid the duties it should assume in accordance with international law or an existing treaty. Since the Japanese Government pays no heed to such a serious matter of principle, the Chinese Government should naturally react strongly. The Chinese people have consistently cherished the friendly relations between China and Japan and between the two peoples and hope that they will go on developing soundly and steadily. The Japanese side should proceed from the overall situation of relations between the two countries and handle the Guanghua dormitory case with a conscientious and responsible attitude.

#### PRC, MONGOLIA BORDER TRADE AGREEMENT DETAILED

HK261000 Beijing JINGJI RIBAO in Chinese 16 Mar 87 p 1

[Report: "China and Mongolia Sign New Border Trade Agreement"]

[Text] The Nei Monggol Autonomous Region and the Mongolian People's Republic held routine talks on border trade in Hohhot on 2-9 March. The two sides signed an agreement on imports and exports and mutual supply of commodities for this year valued at 2.138 million Swiss francs. The amount in the agreement is 200 percent higher than the volume of trade covered by the agreement concluded in 1985. It has been learned that the goods supplied by the Mongolian side will include wood, pulpwood, carpets, used tires, waste iron and steel, and so on. The Chinese side will supply Mongolia with canvas, cloth for making long, rectangular bags, glass liners for vacuum flasks, emery cloth, triangular terrazzo, and so on. To strengthen their contacts in routine work and enhance work efficiency and the rate of the contract's execution, the Chinese Nei Monggol border trade company and the Mongolian border trade company have decided that in the future they will use international telephone and postal and telecommunications services to promote their business contacts.

ULANHU, LI PENG HOLD TALKS WITH EC'S DE CLERCQ

OW311644 Beijing XINHUA in English 1514 GMT 31 Mar 87

[Text] Beijing, March 31 (XINHUA) -- Chinese Vice-President Ulanhu and Vice-Premier Li Peng met here today Willy de Clercq, member of the Commission of the European Communities (EC) in Charge of External Relations and Trade Policies, and his party on separate occasions.

Ulanhu said that there is a good foundation for China and the EC to expand their friendly cooperative relations. In the past few years, he said, the bilateral economic and trade cooperation have enjoyed a sound development. But, the vice-president stressed: "We should not be satisfied with the present situation and the two sides should join their efforts to expand the fields of cooperation."

He hoped the entrepreneurs and businessmen of Europe would invest in China and believed that De Clercq's visit will be conducive to the bilateral cooperation.

De Clercq said that this time he came to Beijing with the message of expanding cooperation with China. The agreement signed between China and EC this morning will promote future cooperation, he said.

He said that the entrepreneurs who have come to China along with him are very confident in cooperating with China.

Chinese Vice-Premier Li Peng reiterated China's foreign policy at the meeting. He said that China will continue to develop its relations with the EC politically and economically.

Ulanhu and Li Peng also briefed the guests on the political situation in China.

De Clercq Praises Open Policy

OW312104 Beijing XINHUA in English 1602 GMT 31 Mar 87

[Text] Beijing, March 31 (XINHUA) -- Willy de Clercq, member of the Commission of the European Communities in Charge of External Relations and Trade Policies, said here today that he believed China has not changed its policy of opening to the outside world.

Speaking at a return banquet, De Clercq also said that China stresses practical results and tried to avoid going to extremes in its modernization efforts. And this is not common in the developing countries.

De Clercq expressed satisfaction with the result of his visit to China.

Chinese Minister of Foreign Economic Relations and Trade Zhen Tuobin was invited to attend the banquet.

De Clercq and his party are scheduled to leave here for Shanghai and Hangzhou on a visit.



## Accord Signed

OW310728 Beijing XINHUA in English 0726 GMT 31 Mar 87

[Text] Beijing, March 31 (XINHUA) -- The Chinese Government and the Commission of the European Communities signed an agreement here this morning on the establishment of the delegation of the Commission of the European Communities in China and the privileges and immunities. [sentence as received]

The document was signed by Chinese Vice-Minister of Foreign Affairs Zhou Nan and member of the Commission of the European Communities in Charge of External Relations and Trade Policies Willy de Clercq.

Present at the signing ceremony were Minister of Foreign Economic Relations and Trade Zheng Tuobin, and diplomatic envoys of Belgium, Denmark and Britain here.

SONG JIAN MEETS FRG TECHNOLOGY MINISTER

OW310759 Beijing XINHUA in English 0646 GMT 31 Mar 87

[Text] Bonn, March 30 (XINHUA) -- China and Federal Germany agreed today to expand cooperation in science and technology.

Cooperation was a major topic for China's Minister in Charge of Science and Technology Commission Song Jian at a meeting with Federal German Minister of Research and Technology Heinz Riesenhuber.

They discussed cooperation in biological technology, information transmission, automation, new materials, space technology, nuclear and non-nuclear energy, oceanology and environment study.

Both ministers were satisfied with developments since a 1978 agreement on scientific and technological cooperation.

Song, who arrived yesterday on a nine-day visit to Federal Germany, also briefed Riesenhuber on China's reform of science and technology management as well as the "sparkling plan" to introduce science and technology to rural areas.

Song, also a state councillor, will also visit the Federal German cities of Hamburg, Bremen, Heidelberg, Stuttgart and Munich.

ZHANG JINGFU ARRIVES IN FRG FOR TRADE FAIR

OW302206 Beijing XINHUA in English 1527 GMT 30 Mar 87

[Text] Bonn, March 30 (XINHUA) -- State Councillor Zhang Jingfu will open "China Hall" at this year's Hanover International Industrial Fair, where China is this year's partner country.

Zhang will attend the fair's opening ceremony tomorrow and preside at the inauguration of "China Hall" Wednesday which features Chinese machinery, chemical, electronics, aviation, space, shipbuilding and metallurgical products.

Each year since 1980, the fair selects one developing country to be partner.

Zhang and his delegation arrived in Frankfurt this morning after a five-day visit to neighboring Austria.

During the visit to Federal Germany, Zhang will meet Federal Chancellor Helmut Kohl, Foreign Minister Hans-Dietrich Genscher, Economics Minister Martin Bangemann and Economic Cooperation Minister Hans Klein.

PRC, FRG NEAR AGREEMENT ON AIRPLANE JOINT VENTURE

WA011346 Frankfurt/Main FRANKFURTER ALLGEMEINE in German 23 Mar 87 p 15

[Article by Peter Odrich from Tokyo]

[Text] The aerospace firm of Messerschmitt-Boelkow-Blohm GmbH [MBB] of Ottobrunn near Munich will very likely conclude a contract with the PRC's national aerospace industry sometime this year for the initial development phase of a jointly constructed transport aircraft. As revealed by MBB management in Tokyo, the recent negotiations in the PRC have been free of difficulties or delays. The new, 100-passenger aircraft is scheduled, from the mid-1990's on, to be co-produced in Hamburg and in China from components supplied by the various partners. In recent days, MBB has also been holding talks with the Japanese aerospace industry and the Ministry of Economics in Tokyo concerning Japanese participation in the Sino-German project. It has come to light, however, that the Japanese will not be able to reach a decision before September of this year. While MBB places great importance upon Japanese participation, it is apparently not willing to see the initial development phase be delayed for the sake of a Japanese commitment. At the moment, it is still unclear whether Japanese participation in development and production will come to pass.

MBB also emphasized that it is making efforts to find partners either in North America or West Europe. MBB envisions three or four aircraft manufacturers, under its direction, sharing in the project. MBB would itself have a total input of about one-third into the project, concentrating on technically highly advanced components of the aircraft which is to be built, in large part, of carbon fiber materials.

OFFICIAL LEAVES FOR ITALIAN, FRENCH CP CONGRESSES

OW272219 Beijing XINHUA in English 1710 GMT 27 Mar 87

[Text] Beijing, March 27 (XINHUA) -- Jiang Guanghua, deputy head of the International Liaison Department of the Chinese Communist Party (CPC) Central Committee, left here today for Italy and France to attend national congresses of the Italian Socialist Party and the French Socialist Party in the capacity of a CPC representative.

XINHUA ANALYZES THATCHER, CHIRAC VISITS

OW271355 Beijing XINHUA in English 1322 GMT 27 Mar 87

["News Analysis: Thatcher Travels to Moscow, While Chirac to Washington (by Shen Xiaoquan)" -- XINHUA headline]

[Text] Paris, March 26 (XINHUA) -- This weekend British Prime Minister Margaret Thatcher travels to Moscow while French Prime Minister Jacques Chirac goes to Washington; the two trips aren't merely coincidental.

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WESTERN EUROPE

In preparing for the first visit to Moscow by a Western leader in the wake of Soviet leader Mikhail Gorbachev's initiative on dismantling medium-range missiles in Europe, Thatcher hurried to France and Federal Germany early this week for talks with President Francois Mitterrand and Chancellor Helmut Kohl.

"Though not representing Europe in talks with the Soviet Union, what Mrs Thatcher says will be authoritative enough to merit wide attention," Mitterrand said of Thatcher's upcoming Moscow visit after their meeting.

Thatcher is expected to convey to the Soviet leaders that Britain and France continue to oppose the inclusion of their nuclear arsenals in U.S.-Soviet negotiations.

The security and peace of Europe is backed up by the presence there of 300,000 U.S. troops and Pershing-II and cruise missiles as well as its strategic nuclear force at large.

Once an accord on removing medium-range missiles from Europe is sealed, the military parity between East and West would be upset, thus exposing Western Europe to the threat of superior Soviet conventional and chemical weapons as well as short-range rockets in what is called an "unhinging" of European and U.S. defenses.

Moreover, U.S. President Ronald Reagan, out of domestic needs, is disposed to enter into such a treaty with the Soviet Union to allow a shift of its strategic focus to outer space and strategic nuclear arsenals, thus sidelining the security interests of West European nations.

In face of such a prospect, it is learned, the leaders of Britain, France and Federal Germany, in their recent consultations, called for a negotiated settlement of Soviet short-range rockets in Europe, although they will not withhold their support of the proposed removal of medium-range missiles to lessen East-West confrontation.

A local newspaper described the Soviet initiative as "a grave test" to the Atlantic alliance.

France, which is believed playing a "leading role" in West European defense, will convey its uneasiness and misgivings to the United States through Prime Minister Chirac this weekend. Specifically, Chirac will stress the need to harmonize U.S. and European positions on defense, and make clear that West European countries will not lend themselves to the proposed deal on medium-range missiles unless the United States makes concrete commitments to them.

Foreign and defense ministers of the European Community reportedly will meet in Luxemburg next month to develop a new approach to their defense and security to free themselves from the superpowers' control.

#### XINHUA INTERVIEWS SWEDEN'S CARLSSON BEFORE VISIT

OW010438 Beijing XINHUA in English 0247 GMT 1 Apr 87

[Text] Stockholm, April 1 (XINHUA) -- Swedish Prime Minister Ingvar Carlsson says he hopes his country can have "concrete and practical" cooperation with China, even in the field of table tennis, where Sweden "usually loses."

The prime minister, whose country, like China, is also a table tennis giant, begins a week-long official tour of China April 3.

In a recent interview with Chinese correspondents based in Stockholm, Carlsson said China is the country "which for a long time I have been saying to my wife I would like to go to."

"Although we are far away from each other and Sweden is a small country with eight million people, I think there are good reasons to strengthen bilateral cooperation in the fields of trade, industry, research, education and culture," he said.

Carlsson, whose party will include Swedish business leaders, said his country is on the leading edge in energy technology and environmental protection. "I think we have something to offer," he said.

China has a trade deficit with Sweden, something Carlsson said will be addressed during his visit. "This is one reason I'm looking forward to going to China. Comparing the bilateral trade between China and Sweden, Sweden's imports from China are comparatively lower."

"I think (trade) could be expanded very much," he said, "I look forward to discussing what you are interested in offering in the cooperation, and what you would like to export to Sweden."

Swedish universities are interested in working with China, he said, noting that Chinese colleges have shown interest in exchange programs by sending students to Sweden.

On international issues, the prime minister said the two countries have "much in common" on the political level, and "it is important for us to have a continued dialogue for informing each other of the positions we take on the world conflicts."

"I look forward very much to...personal discussion between our two governments," he said.

The Swedish minister, whose country spends one percent of its annual gross national product (GNP) on aid to developing countries, said industrial nations have a responsibility to help other parts of the world.

It would be a good idea for all industrial countries to spend at least one percent of their GNP on the developing world, Carlsson said, adding it is "more important" for the superpowers to cut military spending through negotiations and use these resources to help the Third World.

Sweden also provides a relatively large amount of aid to the frontline nations neighboring South Africa, and considers this assistance part of the struggle against apartheid.

Speaking about the stability in the Nordic area, Carlsson said the two military blocs -- the Warsaw Pact and the North Atlantic Treaty Organization (NATO) -- have shown an increased interest in this part of the world. But this does not mean the risk of the war has increased, he said.

"Sweden is a neutral country. We have our own defense system...and we think it is important for stability in the Nordic area," he added.



ATTACK ON CHINESE VESSEL IN PERSIAN GULF CONDEMNED

OW311148 Beijing XINHUA in English 1144 GMT 31 Mar 87

[Text] Beijing, March 31 (XINHUA) -- A spokesman for China's Ministry of Communications made the following statement to XINHUA today concerning the sudden attack on a Chinese vessel by unidentified gunboats in the Persian Gulf on February 27:

Chinese dry goods freighter "Wujiang" was suddenly attacked by two unidentified gunboats somewhere at the 26.19 degrees north latitude and 52.23 degrees east longitude during a normal voyage on the high seas in the Persian Gulf at 13:15 hours of February 26, 1987.

The vessel, which belongs to the Guangzhou Ocean Shipping Company of China, was hit by eight shells, three rockets and more than 100 bullets. Fire broke out in several places on the ship, which was seriously damaged, and injuries of crew members have been reported.

We strongly condemn this wanton attack on a commercial ship on her normal voyage, in gross violation of the international law and international regulations for ocean navigation, and reserve the right for further investigation and to demand cooperation.

PRESIDENT OF CAMEROON ENDS VISIT 31 MAR

OW311116 Beijing XINHUA in English 1102 GMT 31 Mar 87

[Text] Guangzhou, March 31 (XINHUA) -- Cameroon President Paul Biya and his wife and their party left here by special plane this morning at the end of a week-long state visit to China.

Yang Bo, chairman of the Chinese Government reception committee and minister of light industry, conveyed the greetings of President Li Xiannian and his wife by telephone to President Biya and his wife.

Li Xiannian said that Biya's China visit has deepened mutual understanding between the two peoples, promoted their friendship and further developed the bilateral relations and cooperation between the two countries. Li asked Biya to convey the good wishes of the Chinese people to the Cameroon people.

Biya said his fruitful meetings and talks with Chinese leaders show that his visit is a success.

This morning Biya sent a message to the Chinese leaders show that his visit is a success.

Upon their departure from Guangzhou, Biya and his wife were seen off at the airport by Yang Bo and Deputy Governor of the Guangdong Province Yang Li as well as Vice-Mayor of the Guangzhou City Lai Zhuyan.

ZHAO ZIYANG MEETS MOROCCAN PARLIAMENTARIAN

OW311549 Beijing XINHUA in English 1529 GMT 31 Mar 87

[Text] Beijing, March 31 (XINHUA) -- China attaches great importance to the development of friendly Sino-Moroccan relations and strengthening these relations has become China's set policy, said Chinese Premier Zhao Ziyang.



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MIDDLE EAST & AFRICA

Zhao Ziyang, also acting general secretary of the Chinese Communist Party Central Committee, made the remark at a meeting with a Moroccan delegation led by M. Ahmed Osman, president of the National Assembly of Independents and Parliament.

Zhao welcomed the delegation's visit and held friendly, cordial talks with the guests on the ties between the two countries' parties, governments and peoples.

The premier regards Osman as an old friend of China, and said: "As party leader, Osman's current visit to China has resulted in the establishment of friendly relations between the two parties in China and Morocco."

"China and Morocco," Zhao said, "are countries belonging to the Third World, and these two countries hold similar views on important international issues, especially the two basic questions facing the world today, namely, peace and development."

Zhao said: "Economic cooperation and contact between China and Morocco are well developed and the two countries can draw from each other's experience in economic cooperation and constructing their own country."

Zhao believes there is great potential in exploring more areas and types of cooperation while developing bilateral friendly cooperative relations through the joint efforts of both countries.

Osman visited China in 1981 and 1986 and said, through his visits, he has found the friendship between China and Morocco has been developing, and he expressed his appreciation for China's achievements.

The Moroccan ambassador to China, Abderrahim Harkett, also attended the meeting.

#### GAMBIAN PRESIDENT SCHEDULED FOR APRIL VISIT

OW310833 Beijing XINHUA in English 0824 GMT 31 Mar 87

[Text] Banjul, March 30 (XINHUA) -- Gambian President Dawda Jawara said today that his upcoming visit to China would enhance the good will and understanding between the Gambian and Chinese peoples. The Gambian president, who will be in China for a six-day official visit beginning April 10, said he will discuss technical cooperation and agricultural development with Chinese leaders.

Citing the existing bilateral cooperation in the production of poultry, vegetables and fish, Jawara said his country welcomes more Chinese participation in Gambia's economic development.

#### HUANG HUA ATTENDS SUDANESE FOLK DANCE PREMIER

OW272355 Beijing XINHUA in English 1702 GMT 27 Mar 87

[Excerpts] Beijing, March 27 (XINHUA) -- A Sudanese folk dance ensemble kicked off their tour of China with a premiere performance tonight. [passage omitted]

Attending the performance tonight were Huang Hua, vice-chairman of the Standing Committee of the National People's Congress and Sudanese Ambassador to China M.H.M. Mattar and his wife. The ensemble is scheduled to visit Shenyang and Dalian after giving two more performances in Beijing.

BRAZILIAN PRESIDENT PLANS VISIT IN MAY

OW311203 Beijing XINHUA in English 1131 GMT 31 Mar 87

[Text] Brasilia, March 30 (XINHUA) -- Brazilian President Jose Sarney will visit China and India between May 11 and 22, the Brazilian Foreign Ministry announced, according to local reports today.

During travels later this year, President Sarney will meet with Uruguayan President Julio Sanguinetti and Argentine President Raul Alfonsin in June, Brazilian Foreign Minister Costa de Abreu Sodre announced.

However, Sodre said the meeting with Argentine President will not be held in Buenos Aires, as it was previously informed but rather at a location to be fixed later.

Sarney plans to visit Federal Germany sometime after July, but that trip has not yet been confirmed, Sodre said.

ANTARCTIC RESEARCH VESSEL ARRIVES IN ARGENTINA

OW310618 Beijing XINHUA in English 1907 GMT 31 Mar 87

[Text] Buenos Aires, March 30 (XINHUA) -- The Chinese Antarctic research vessel "Ji Di" arrived Sunday at Argentina's Campana Port, 90 kilometers northwest of Buenos Aires, after accomplishing its work on the Antarctic Continent.

Chinese Ambassador to Argentina Shen Yunao and other Chinese Embassy officials went aboard the ship to congratulate the scientists and the crew.

This is China's third expedition to the Antarctic, where China set up a research station "Great Wall" in 1985.

The 88 researchers aboard expanded the installations of the "Great Wall" base and carried out a multiple research program on the continent. They will stay in Argentina for a week.

The ship came to the American continent through the Pacific Ocean and will return to China via the Atlantic and Indian Oceans, circling the earth over a distance of 26,700 miles, the longest trip in the history of Chinese oceanic investigation.

BRIEFS

MEXICO STEEL EXPORTS -- Mexico City, March 31 (XINHUA) -- The Lazaro Cardenas las Truchas Steel Mill (Sicartsa), a Mexican state enterprise, will export this year 280,000 tons of steel to China, plant director Gabriel Magallon Baraja said here Monday. The director said the agreements to this effect were signed during his recent trip to China. Other agreements on selling steel to South Korea, Japan and the Soviet Union will be signed soon, he added. Mexico exported more than 900,000 tons of steel last year, 270,000 of which went to China. [Text] [Beijing XINHUA in English 1918 GMT 31 Mar 87 OW]

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ZHAO ZIYANG MEETS HONG KONG, MACAO COMRADES

OW311952 Beijing Television Service in Mandarin 1135 GMT 31 Mar 87

[Video report on Premier of the State Council Zhao Ziyang meeting with NPC deputies and CPPCC members from Hong Kong and Macao in the Great Hall of the People on 31 March -- recorded]

[Excerpts] [Zhao Ziyang] Today I wish to take this opportunity to sit together with you for a chat. I have already talked a lot. I spoke at a meeting of the Standing Committee of the CPPCC National Committee, which some of you may have heard. In addition, I spoke for almost two hours in delivering a Government Work Report. For today's forum, I would like first to make an opening statement and then listen to you. While you are talking, I will occasionally chime in. [words indistinct] But today's forum cannot last too long, because at 1830 [local time] State Councillor Ji Pengfei will give a banquet for you.

You have come from the Hong Kong-Macao area, some from Hong Kong and some from Macao. The Hong Kong issue was solved in 1984. The Macao question has also been solved. Hong Kong and Macao will return to the motherland in 1997 and 1999 respectively. That is to say, the Chinese Government will resume the exercise of sovereignty over Hong Kong and Macao before the start of the 21st Century.

These are two major special events in history. The previous decadent Manchu regime lost sovereignty over Hong Kong and Macao. The northern warlords failed to solve these questions, and these questions still could not be solved during the period of Kuomintang rule. Under the CPC's leadership, however, the Chinese people have finally accomplished what their predecessors failed to do. It has been 4 years since Comrade Deng Xiaoping put forward the concept of "one country, two systems". It has been 4 full years. That is merely a short moment in history, but the concept has solved two major questions left over from history. This is worth cheering and celebrating by all compatriots throughout the country.

The compatriots I refer to here include the Hong Kong and Macao compatriots, of course. They also include our compatriots in Taiwan and overseas. In short, all descendants of the Yan and Huang emperors share this glory without exception. Today, we have gathered here, and everyone is happy and full of cheer. On behalf of the CPC and the Chinese Government, I wish to extend cordial greetings to you and, through you, extend warm congratulations to our compatriots in Hong Kong and Macao. [applause]

Since the Joint Declaration on the Question of Hong Kong was signed, the Chinese and British sides have cooperated fairly well. The Joint Declaration on the Question of Macao will be officially signed in a few days. The Portuguese prime minister will arrive on 11 April. We hope and believe that China and Portugal will also cooperate very well. The Chinese Government's stance is that both sides have the obligation to be faithful to any document that has been signed, whether it is a joint declaration or an annex to the declaration. Since both sides were extremely serious in the course of talks and very carefully deliberated every word and sentence in the document -- that is, they were exceptionally serious -- of course, they were prepared to implement the document in all seriousness. If the document were not to be implemented, they would not have so carefully deliberated every word and sentence. Serious talks were for the purpose of serious implementation. I said this previously when meeting with a delegation from Hong Kong.



The Chinese Government hopes that Hong Kong and Macao will not only be prosperous and stable before 1997 and 1999 respectively, but continue to prosper and remain stable and become even more prosperous and stable after they are returned to the motherland. Of course, before Hong Kong and Macao officially return to the motherland, this is a matter for the Hong Kong-British authorities and the Macao-Portuguese authorities. After their official return, this will primarily be a matter for the Hong Kong Special Administrative Region and the Macao Special Administrative Region. Our responsibility is to do our best within the framework of the central government's duty to create favorable conditions for the prosperity and stability of Hong Kong and Macao.

Within 50 years after the return of Hong Kong and Macao to the motherland, even though two different systems -- socialism and capitalism -- are practiced on the mainland and in Hong Kong and Macao, ours will remain a unified country. They will share weal and woe. A stable political situation and a prosperous economy on the mainland will benefit Hong Kong and Macao. Likewise, if Hong Kong and Macao have a stable society and a prosperous economy, the mainland will also benefit. To sum up, we will do nothing at present that is harmful to the prosperity and stability of Hong Kong and Macao, and we will never do so in the future. This is the stance of the central government. Deputies and members, please convey this to the compatriots in Hong Kong and Macao. We hope that everyone will live and work in peace and contentment and lead a happy life. [applause] [passage omitted on Hong Kong representatives remarks]

[Ma Wanqi, Macao representative] [passage omitted] Now we have been able to settle the issue of Macao's future. In 1999 Macao will be recovered and the state will resume the exercise of sovereignty over it. This indicates that our motherland is strong and is deeply concerned about the compatriots in Macao. During the past few days, the people of all walks of life in Macao, including those born locally, reacted very well. Song Yusheng is a leader of the Macao natives. His family has lived in Macao for some 100 years through five generations. He said that the joint declaration takes care of every concern of the Macao people. None of the natives that he knows is dissatisfied with the joint declaration.

[Zhao Ziyang interrupts] In a word, this may be described as: Start well and end well, and everyone is happy. [passage omitted]

[Huo Yingdong] Messrs Fei Yimin and Ma Wanqi have spoken on behalf of Hong Kong and Macao respectively. I have nothing to add. But I would like to ask the premier when he will visit Hong Kong and Macao?

[Zhao Ziyang, laughing] Maybe after 1997. I will go there as a tourist because by that time I will have retired. If I can live that long, I will have retired. I can visit as a tourist. I was in Guangdong for a total of 21 years. I went to the Hong Kong and Macao borders many times, but I never crossed those borders.

[Fei Yimin] Does anyone want to speak?

[Zhao Ziyang interrupts] Not only on this question. You may talk on any subject. [passage omitted on others' remarks]

[Zhao Ziyang] Sometime last year Ms Deng Lianru led a trade delegation to China. I told her that Hong Kong and the mainland have their respective strong points. The strong points of the mainland are what Hong Kong is lacking, and vice versa.

The two sides can establish a relationship of mutual benefit and reciprocity so as to make common development. It is not true that the mainland wants to push Hong Kong aside, nor should Hong Kong push the mainland aside. Their relationship is based on mutual benefit and reciprocity. As I said before, China's mainland has high productivity, and this includes its military industry. Hong Kong's strong points are fast information; familiarity with international markets; its sales and trade networks; and expertise in operations and management. These are what the mainland lacks. I have just said that the mainland has high productivity. Another strong point is its abundant natural resources. Recently, there was an idea from Hong Kong, and it is what Mr Tang has just said. China has quite a good contingent of personnel for high-technology development, but it is quite incapable of developing high technology. This is because of lack of information facilities. Hong Kong and the mainland should cooperate in high-technology development. Recently Zhou Guangzhao, president of the Chinese Academy of Sciences, came up with a very good idea. He wants the academy's research institutes to establish cooperative ties with Hong Kong industry so as to develop new products for the international market; that is, developing natural resources, productivity, and high technology. Our technology development personnel can play their role when cooperating with Hong Kong. This is the question you have talked about.

With the opening to the outside world, China has now increased its volume of direct trade with other countries of the world. In the past when China did not have the policy of opening to the outside world, a lot of trade took place through Hong Kong. But I told Ms Deng Lianru, in the future, China's entrepot trade through Hong Kong will not be reduced but will be increased. Although we have a greater volume of direct trade with other countries, China is not familiar with foreign trade and has no sales network. So China's commodities are sent to Hong Kong where they undergo intensive processing and are then exported, or they are exported through Hong Kong's trade network. This is a long-term arrangement. This is beneficial to Hong Kong's prosperity as well as the mainland's. In this way Hong Kong and the mainland can both prosper. [passage omitted on others' remarks]

[Zhao Ziyang] In our endeavor to oppose bourgeois liberalization, will something occur? I cannot guarantee 100 percent that nothing will occur because China has a big population and there are many cadres; there are many different kinds of thinking. But bourgeois liberalization can in no way become a main stream or a major trend. As I have just said, China has many people, and there are many kinds of thinking.

It is possible that some people, after hearing about opposition to bourgeois liberalization, will change their style of clothes. In recent years, urban women of the mainland have dressed up and put on makeup; some wear earrings and use lipstick. It is possible that some women will dare not use lipstick after hearing about the opposition to bourgeois liberalization. But after a few days, when they see other women still using lipstick, they may also use lipstick again.

All in all, with regard to the left question, my basic viewpoint is, as I said at a meeting of the Standing Committee of the CPPCC National Committee, there is very little possibility that the previous leftist things will reappear because everyone is afraid to them and very sensitive to them. When these leftist problems arise, they immediately react. For example, when a singer found that someone was checking his black material, he immediately complained because he was allowed to do so. Wrong things, if any, will be corrected quickly. Everyone will pay attention to them.

Incidentally, I would like to say this: In 1983 we began to oppose spiritual pollution. It is right to oppose spiritual pollution.



You will recall that I pointed out the need to oppose spiritual pollution in my report to a previous NPC session. When the instruction on opposing spiritual pollution was put forward, many things were immediately regarded as spiritual pollution in rural areas. In some localities, women with long hair were not allowed to go to their work places. These things were immediately reported to Zhongnanhai and were quickly corrected. The problem is that with the correction of mistakes, the struggle was also negated. Experience in opposing spiritual pollution proves that leftist things will easily evoke people's attention and will be quickly corrected. Opposition to spiritual pollution was an example. We have drawn experience from opposing spiritual pollution. The first document we issued was document No 4, as you may already know. From the very beginning, we made very clear the nature of the movement, the problems to be solved, the scope of struggle, and the policy. This is clearly different from the past practice of launching movements in China. In the past, a movement could not be started in this way. With such restrictions set at the beginning, how can a movement develop according to past practice? Some comrades in our country still have doubts. They say that we set up too many restrictions at the beginning, and this means that we do not really want to develop the movement even before it gets started. I think this view is erroneous. [words indistinct] To sum up, practicing leftist things now in China will have no popular support, just like selling a commodity that has no market. It will be opposed by the overwhelming majority of people, and so it cannot be successful.

Why did the Great Cultural Revolution start? It was because at that time people did not have a clear understanding. They thought the Cultural Revolution would make China strong and prosperous. They thought our socialist construction would be greatly accelerated after the elimination of revisionism. However, everyone suffered during those 10 years. Today, such a thing cannot be started any more. Why does Hong Kong fear so much? This shows that our ability to distinguish and resist has increased. Capitalists also have fears. Western countries have told us about their views. Those engaged in rural work, economic reform, and industrial production at home also have fears. People show their fear as soon as they hear that such a thing will be started. How can we repeat it? I say that it will not be repeated.

As for questions concerning Hong Kong and Macao, you should worry even less. Why is bourgeois liberalization opposed on the mainland? There is only one reason; that is, on the mainland, we uphold CPC leadership and the socialist system. We cannot practice the socialist system if we do not oppose bourgeois liberalization. Hong Kong practices capitalism, and the system will not change for at least 50 years. Have we not made it clear in the two statements that the basic systems -- social, economic, and judicial systems and the lifestyle -- will not change? In short, you will continue to practice capitalism. Why should you oppose bourgeois liberalization? You are not practicing socialism. What are you afraid of? To oppose bourgeois liberalization is to practice socialism. As socialism is not practiced in your area, why should you oppose bourgeois liberalization? On the mainland, we want to prevent repetition of past mistakes in the course of opposing bourgeois liberalization.

People in Hong Kong and Macao may rest assured. You do not have to worry at all. The difference is made by the policy of one country, two systems. The systems mean a socialist system and a capitalist system. Why should those who practice capitalism need to oppose bourgeois liberalization? You are in fact practicing bourgeois liberalization. Your system is a system of bourgeois liberalization. We have adopted the policy of one country, two systems; socialism on the mainland and a system of bourgeois liberalization in Hong Kong. What are you afraid of? If bourgeois liberalization is opposed in your areas, the policy of one country, two systems will be completely negated. I do not think that past mistakes will be repeated on the mainland.

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What I told you in the past were mostly about our policies. It seems to me that the fear will linger for some time because leftist things were practiced on the mainland for too long in the past. Compared with 8 years ago, it seems to me that we have more say today, but it is not yet enough. I believe this problem will be solved in 10 years after we carry out the protracted struggle against bourgeois liberalization for 10 years and show you that nothing happens. I think that, generally speaking, while we uphold the four cardinal principles and oppose bourgeois liberalization on the mainland, there is no ideological basis nor the market for leftist things. Of course, there are still some people who advocate leftist things and want to wage a large-scale struggle, but such people are very, very few. Moreover, they dare not surface. As you know, all our principal party and government leaders at all levels today, including you here, are victims of the Great Cultural Revolution and suffered all the bitterness. The Chinese people and cadres at all levels suffered all the bitterness. We practiced leftist things in the past and suffered very big calamities and losses from them. We do not have to describe them in detail, nor do we have to vent our grievances here.

Document No. 4 has made things very clear and definite regarding the opposition to bourgeois liberalization, but people still fear that leftist things might happen. Such fears ensure that there is very little chance for leftist things to occur. I am talking about the mainland.

I think I should conclude my discussion on mainland issues and policies. If I continue, I can only repeat what I have already said. Have you not said that you will wait and see whether we can do what we have said? Please wait and see. I think we can. As for Hong Kong and Macao, please do not worry. It has been decided that you will practice a different system. [applause] At first I wanted to hear more of your opinions, but there is not enough time. I wish you in Beijing... [report ends]

#### SECRETARIAT OF NPC SPONSORS PRESS CONFERENCE

Official on Hong Kong, Macao

OW011050 Beijing XINHUA in English 1035 GMT 1 Apr 87

[Text] Beijing, April 1 (XINHUA) -- China's mainland will not impose its social system and life-style on Hong Kong and Macao, and likewise Hong Kong and Macao residents should not impose their system and life-style on the mainland after special administrative regions are set up there, a ranking Chinese official said here today.

Li Hsu, deputy director of the Hong Kong and Macao Affairs Office under the State Council, told a press conference that the social system and life-style in Hong Kong and Macao will remain unchanged then.

The press conference was sponsored by the Secretariat of the current Fifth Session of the Sixth National People's Congress here this afternoon.

Li Hsu said the mainland, Hong Kong and Macao should respect each other's social system and life-style.

Hong Kong and Macao will continue to practise their present social system -- capitalism after their return to the motherland in accordance with the concept of "one country, two systems."

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Li Hou said: "Most of the residents in Hong Kong and Macao are Chinese. They have the obligation to concern themselves with affairs of the state and raise suggestions and criticisms."

People in Hong Kong and Macao will continue to enjoy freedom of the press and speech, but publications which spread bourgeois liberalization will not be allowed to enter the mainland, Li Hou stressed.

Responding to a question, Li Hou quoted Deng Xiaoping as saying that Hong Kong and Macao residents may criticize the Chinese Communist Party, but they are not allowed to conduct sabotage against China or go in for "two Chinas."

#### Gu Mu Lauds Shenzhen's Success

OW010918 Beijing XINHUA in English 0905 GMT 1 Apr 87

[Text] Beijing, April 1 (XINHUA) -- Chinese State Councillor Gu Mu said here today that the Shenzhen Special Economic Zone in Guangdong Province has been a success despite the small amount of investment from the state.

Gu made this statement at a press conference sponsored by the Secretariat of the ongoing Fifth Session of China's Sixth National People's Congress here this afternoon.

The state councillor disclosed at the press conference that the central government invested only 300 million yuan in the Shenzhen Special Economic Zone, which accounts for only two or three percent of its total investment in capital construction. The rest came from foreign countries and other parts of China.

Despite the small amount of state investment, Gu said, the special economic zone has increased its total industrial and agricultural output value from 60 million yuan in 1979 before the establishment of the special economic zone to 3.8 billion yuan in 1986, up 33 percent over 1985.

Total export volume of the zone reached 720 million U.S. dollars last year, accounting for 45 percent of its gross industrial output value, and the percentage came to 51 percent if the volume of its raw materials processing was included. Shenzhen reached financial balance last year with a little amount of surplus. It repaid 190 million yuan of its loans, the state councillor added.

He expressed confidence that the special economic zone will become an export-oriented comprehensive economic base focusing on industrial production and combining industry with trade in 1989 when it celebrates the tenth anniversary of its establishment.

Gu Mu said, "We have three criteria in judging the success or not of a region, namely, whether the productive forces have developed, whether the state quotas are met, and whether attention is paid to both material development and cultural and ideological development."

"Our experiment in Shenzhen is a success and we are more confident than ever of its future development," he added.



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### More Areas To Get Foreign Loans

OW010926 Beijing XINHUA in English 0913 GMT 1 Apr 87

[Text] Beijing, April 1 (XINHUA) -- Chinese State Councillor Gu Mu said today that the central government has empowered two Chinese provinces, three cities, two banks and two corporations to borrow foreign loans.

They are Guangdong and Fujian Provinces, Shanghai and Tianjin Municipalities and Dalian City, Bank of China, the Communications Bank, the Everbright Corporation and the China International Trust and Investment Corporation.

At a press conference sponsored by the Secretariat of the ongoing Fifth Session of the Sixth National People's Congress here this afternoon, the state councillor said that there are ceilings set on the amounts of loans these units may borrow and they will be responsible for repaying the loans they borrow. Besides, before borrowing, they are required to inform and consult the central departments concerned.

He believed that such a decision is correct and there is no risk involved since these areas and units are experienced in financial dealings.

### Foreign Investment Encouraged

OW011102 Beijing XINHUA in English 1047 GMT 1 Apr 87

[Text] Beijing, April 1 (XINHUA) -- China will "carry out to the letter" the regulations on the encouragement of foreign investment, State Councillor Gu Mu told a press conference here today.

Gu was referring to the 22-article regulations promulgated by the State Council last October, which provide favorable conditions to foreign investors.

Asked what major difficulties China has encountered in opening to the outside world and in foreign economic activities, Gu Mu said that a shortage of power supply, inadequate transportation facilities and urban construction do exist and can not fully meet the demand of foreign investors.

But the major difficulty on the whole, he said, is that China lacks experience in economic reform and opening to the outside world and a large contingent of experienced cadres.

"There is too much red tape, and efficiency is too low," Gu added.

Nevertheless, he said, China will continue its efforts to train cadres and improve its economic legislation so as to create a favorable "micro-climate" in which foreign investors can bring their initiatives into full play.

The press conference was given by the Secretariat of the ongoing National People's Congress Session.



NPC ATTENDEES EXPRESS VARYING CONCERNS, IDEAS

## Delegate Urges Expanded Market

OW311211 Beijing XINHUA in English 1120 GMT 31 Mar 87

[Text] Beijing, March 31 (XINHUA) -- An economist attending the current session of the National People's Congress today called for faster reforms to expand markets for such capital goods as steel, cement, timber and coal.

Song Zexing, in his 70s, who is the honorary president of the Economic Management School of the Shenyang-based Liaoning University, said such a move will help create a fine environment for invigorating enterprises, which is the "central link" of the ongoing reform of China's economic structure.

At present, most capital goods are subject to state mandatory purchases and sales.

Professor Song, who studied at Britain's Cambridge University in the 1940s, said, "Capital goods are also commodities in a socialist commodity economy based on state plans and therefore should be subject to commodity circulation."

He listed the major advantages of opening capital goods markets: stimulating businesses to increase production and earnings, making purchases easier for businesses, and helping reduce and stabilize prices of products not covered by state plans. He cited Shenyang, the capital of northeast China's Liaoning Province, as an example to illustrate the significance of opening capital goods markets.

Shenyang is a heavy industrial city centering on the processing industry and yet a resource-deficient area. The bottleneck in capital goods circulation is a factor restricting its economic growth, Song observed.

For instance, the city will require 1.1 million tons of rolled steel this year, while local iron and steel companies can supply only six percent. At the end of last year, however, enterprises and government offices in Shenyang stocked 1.26 million tons of rolled steel, which were valued at 1.39 billion yuan (about 376 million U.S. dollars).

The city authorities opened the Shenyang rolled steel market earlier this year in an effort to break the monopoly of supplies by government offices and encourage enterprises to sell overstocked rolled steel on the market to ease shortages. Now, the market supplies 205 major enterprises in Shenyang with 40 percent of their rolled steel needs.

With the intensification of the reform of China's economic structure and the reduction of mandatory purchases and sales, Song said, "I'm sure capital goods markets will play an increasingly important role in China's economic growth."

## Fujian Secretary on Economy

OW311025 Beijing XINHUA in English 0842 GMT 31 Mar 87

[Text] Beijing, March 31 (XINHUA) -- East China's Fujian Province will commit its material and human resources to expanding its export-oriented economy and further improving its investment climate in order to attract more foreign investors.

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During an interview with XINHUA today, Chen Guangyi, secretary of the Fujian Provincial Party Committee who is here attending the annual session of the National People's Congress, said that although the province has made great efforts to improve its infrastructural facilities, still greater efforts are needed to meet the needs of the growing number of foreign investors.

While committing its resources to expanding energy, transportation, water supply and communications projects, he said, the province will strive to improve its services and work efficiency. Thanks to the open policy, which he described as having injected new vigor and vitality into the province's economy, the province made fast progress in its economic development last year, despite serious natural disasters.

In 1986, the province's export volume came to 575 million U.S. dollars, up 17 percent over the previous year, and the number of enterprises involving foreign investment also grew remarkably, especially industrial and development projects.

The party secretary said that he felt encouraged by what Premier Zhao Ziyang said in his Government Work Report about China opening wider to the outside world.

While faithfully carrying out the State Council's regulations on encouraging foreign investment, the party secretary pledged, the province is considering some more preferential treatment to investors. Although the official document remains to be worked out, he disclosed it may include clauses offering income tax exemption for three years and allowing a 50 percent reduction for another four years for enterprises with a contractual operational period of at least ten years. The term is more favorable than that set by the State Council, Chen said.

At the same time, he noted, the provincial government will encourage collectives and individuals to produce miscellaneous goods the international market demands while running well a number of export production centers and factories to increase exports of major items. The province will set up two major export production systems, he added. One is for the production of manufactured goods with light and textile goods as the main exports and the other is for the production of agricultural products with aquatic products and fruit as the main exports. In addition, the province will continue to expand exports of labor services, he said.

He said the Xiamen Special Economic Zone will be well reoriented to the needs of the export production and introduce some free port policies.

#### Poor Areas Want Attention

OW311031 Beijing XINHUA in English 0924 GMT 31 Mar 87

[Text] Beijing, March 31 (XINHUA) -- Deputies from China's less developed regions attending the ongoing session of the National People's Congress (NPC), have been examining Premier Zhao Ziyang's report on government work in the these days, calling for more attention to their areas.

Sharing the view that the report fully reflects the common wishes of the people of all nationalities, the deputies agreed that the analysis of the current situation and problems in the report fully accords with the actual conditions in those less developed regions and in the places inhabited by minority ethnic groups.

Deputy Wu Yuanqing from Gansu Province expressed his full support for the principle laid down in the report on the steady, sustained development of the economy.

However, he also pointed out that although his province has witnessed a relatively rapid economic growth in recent years, there seems to have been a tendency for the gap between the region and the developed coastal areas to become wider.

"Under such circumstances," he said, "if we continue to advocate the staircase theory of uneven economic growth in different regions, we will have to bear the consequences of still wider gaps between the developed and less developed regions, and it will require double the amount of investment when it is time for these regions to develop in the future."

He called for more aid to the remote and less-developed regions and provide preferential treatment to them on keeping more foreign currency and nonferrous metals, which are largely produced in the regions.

Zhaxi Wanggug, a Tibetan deputy from Qinghai Province, said that bourgeois liberalization runs counter to the people's wishes and is detrimental to the unity among nationalities. "But for the party's leadership and the socialist road, there would have been no present new relations characterized by equality, unity, mutual assistance and friendship among all nationalities and there would have been no common prosperity and development for them."

Rahfu Abbas, a deputy from the Xinjiang Uygur Autonomous Region, said that it is very important for the premier to stress in his report the need to strengthen the unity among all nationalities and fully implement the law governing the regions inhabited by ethnic groups.

NPC deputies from northwest China's Ningxia Hui Autonomous Region, where Muslim Hui people are concentrated, urged central departments to take it as a "political task" to help areas inhabited by minority nationality people speed up economic growth and grant them due preferential terms.

Haji Hossain Hei Boli, chairman of the regional government, said that as an underdeveloped area, Ningxia needs aid of the state and other parts of the country. "Ningxia's advantage lie in a small population and abundant natural resources," he went on, "we should not just sit and wait for aid but should make the best use of our advantages on the basis of self-reliance while doing everything possible to obtain aids."

Reform and the policy of opening China to the rest of the world and enlivening the domestic economy are "crucial" to invigorating Ningxia's economy, he said, stressing the importance of promoting economic cooperation ties with Arab countries in the Middle East.

Ningxia deputies also aired views on how to achieve sustained, stable economic growth in areas inhabited by minority nationality people. They called for opening Ningxia wider to the outside world on the basis of the areas' natural and nationality characteristics and the advantage in natural resources.

Furthermore, it is necessary for the central departments and developed areas to increase aid to these areas and for the state to continue pursuing special policies and granting preferential terms to them.



## Ningxia's Local Issues Viewed

HK010155 Yinchuan Ningxia Regional Service in Mandarin 2300 GMT 31 Mar 87

[Text] According to XINHUA, Ningxia Regional People's Congress Standing Committee Chairman Ma Qingnian said when discussing Premier Zhao Ziyang's Government Work Report at the NPC session that increasing production and practicing economy and increasing revenue and cutting spending is not just some expedient but an important magic weapon for ensuring the long-term stable development of our national economy.

Ma Qingnian said: Premier Zhao said in his Government Work Report that China should launch an extensive, deep, and sustained drive to increase production and practice economy and increase revenue and cut spending. This not only accords with national conditions but is of even greater importance in minority-nationality areas.

He said: Viewing the current situation in Ningxia, first, the level of economic management is low, economic results are poor, and there is a shortage of talent. These things seriously constrain our economic development. Second, in recent years the concept of arduous struggle has weakened, the scale of investment in fixed assets has become greater and greater, and the atmosphere of ostentation and lavishness has become more and more marked. Third, starting next year, central finance will change to the method of providing a fixed sum in subsidy, and this will not be raised by 10 percent increments. This means that in the future we will no longer be able to get by just by relying on state subsidies; instead we will have to rely on our own efforts to develop production and continually increase our local financial revenue.

He said: This situation requires all the more that we extensively launch the masses to work hard to increase production and revenue, practice strict economy, and insist on doing everything with diligence and thrift.

Ma Qingnian said: In order to promote the sustained and steady development of Ningxia's economy, apart from resolving the six problems mentioned in Premier Zhao's report, we must also grasp three things in connection with Ningxia realities. First, we must further practice the principle of reform, opening up, and invigoration. Reforms and opening up in minority-nationality areas started later than in economically developed areas and coastal regions, they have less experience and their results are not so good [words indistinct]. On the basis of summing up experiences, we should do still better at linking reform and opening up with the characteristics of the region and the nationalities and the strong points in resources. We should not mechanically and blindly copy the experiences of others.

Second, we must continue to do a good job in extricating from poverty and enriching old revolutionary bases, minority-nationality areas, and remote and poor areas.

[Words indistinct] is of far-reaching economic and political significance. We should do a good job in implementing all effective policies and measures for supporting the poor. [words indistinct] At the same time we should seriously implement the law on autonomy of minority-nationality areas and further implement the state economic policies and favored treatment measures for these areas.



Third, we must further strengthen nationality solidarity. This is an extremely important factor in the sustained and steady development of the economy in minority-nationality areas. These areas must further step up reeducation in the Marxist concept of nationality, and in the nationality policies and nationality solidarity, continually promote the development of new-style nationality relations, strengthen solidarity between and within the nationalities, and strengthen the solidarity of cadres from elsewhere and local cadres. We should ensure that the patriotic spirit of loving the motherland and invigorating China is brought into virogeous play in our region.

#### Deputies Discuss Premier's Report

OW311415 Beijing XINHUA in English 1318 GMT 31 Mar 87

[Text] Beijing, March 31 (XINHUA) -- Deputies to the Chinese National People's Congress today continued to air their comments, criticisms and suggestions during group meetings to discuss Premier Zhao Ziyang's Government Work Report to the current NPC annual session.

NPC Deputy Zhang Yan from Shanghai thought it good for the premier to give a clear picture of China's achievements as well as problems and mistakes, but she criticized the report for failing to give a concrete analysis of the causes of these problems.

"It is entirely correct to stress the importance of agriculture," she said, "but the government has cut its investment in agriculture down to three to four percent from the 11 percent in 1978. The practice does not match the words."

"In formulating agricultural policies," she said, "one cannot only consider present interests but should also have foresight." "With the abundance of grain and cotton in the past few years," she added, "some people got carried away, relaxing their attention to grain and cotton production."

Deputy Ling Qihong from Jiangsu Province criticized the government for grudging spending money on agriculture and for its failure to give agriculture its due role.

Deputies from Hebei Province called on the central government and departments to take the lead in practising economy.

Some deputies urged strict implementation of the economic laws promulgated so as to achieve the purpose of controlling overheated capital investment and waste.

Some deputies complained about the government's lack of attention to rural education and training of young peasants. They urged the government to squeeze out some money for education, especially primary education in the rural areas despite the financial strains.

Deputy Huang Huang said it is necessary to strengthen intellectual development in rural areas, especially to train young peasants in a systematic way.

Huang called attention to the fact that one-fourth of the rural labor force are secondary school graduates, who have not learned enough to keep with the present technological developments.

Deputy Fei Yi-ming from Guangdong Province criticized the government for giving excessive subsidies for import trade. He suggested a cut in such subsidies so as to help reduce the state deficit.

Deputy Qian Duanyou from Tianjin criticized excessive imports of such consumer goods as cigarettes, beverages, cars and television sets. "[These] problems have been raised again and again for many years, but no solution has yet been found," he said. He urged specific measures for controlling the use of foreign exchange.

#### Deputies Stress Major Tasks

OW311159 Beijing XINHUA in English 1103 GMT 31 Mar 87

[Text] Beijing, March 31 (XINHUA) -- Deputies attending the current session of the Sixth National People's Congress shared the view that the two major tasks set forth by Premier Zhao Ziyang in his Government Work Report are of paramount importance.

The two major tasks are: economically, to extensively carry out the campaign to increase production and practise economy, deepen the economic structural reform and further open the country to the outside world, and politically, to uphold the four cardinal principles to combat bourgeois liberalization.

Deputies expressed the belief that better accomplishment of the two tasks will help ensure a steady and sustained growth of the national economy and consolidate unity and stability.

Nima, a deputy from the Inner Mongolian Autonomous Region, said that "the people want peace and stability and want to get better-off. To carry out the two tasks well will help unify the thinking of the people of all nationalities and rally them to the task of overcoming the difficulties confronting the country."

Li Zhen, a deputy from Shandong Province said the two major tasks are the key link for all work and their accomplishment will give great impetus to all other work in the country."

Speaking on how to develop the economy through reform, Rong Yiren, [a] deputy representing Shanghai, said the government may as well delegate more power to large enterprises so as to bring their role as key enterprises into fuller play while properly developing and providing better guidance to and control over rural enterprises and private businesses.

Also a deputy from Shanghai, Hu Lijiao said that the key lies on "how" to fulfill the two tasks. In economic sphere, the government should give proper guidance to the extrabudgetary investment. He said rural enterprises compete with large enterprises with better economic performances for materials and energy and the unbridled development of these small enterprises that produce sub-quality goods will bring losses to the state. He suggested establishing supervisory organs to see that the correct policies of the party and the state firmly and correctly implemented.

#### Family Planning Motion Proposed

OW311027 Beijing XINHUA in English 0855 GMT 31 Mar 87

[Text] Beijing, March 31 (XINHUA) -- Lin Jiamei, advisor to the China Children Development Center, today submitted a motion to the National People's Congress (NPC), calling for efforts to improve family planning and research.

Her motion was seconded by 31 deputies from different parts of China, who are now attending the NPC's annual session here. A motion is required to have at least 30 seconders.

A sample survey shows that the natural population growth rate in 413 counties and cities throughout China rose from 11.23 per thousand in 1985 to 14.08 per thousand last year. Survey officials agree that relaxed control over family planning will cause the rate to climb further this year.

Lin Jiamei, who is wife of Chinese President Li Xiannian and a NPC deputy, said: "Family planning is not only a task of family planning offices but also a paramount task of the whole society. I think all of us ought to take up this important and arduous task."

She called for still greater government aid and support in personnel, materials and funds for technical guidance, scientific research, personnel training, equipment, publicity and operations.

"So far as family planning is concerned, we must see to it that funds are earmarked for specified purposes only," she pointed out and urged all public health offices to improve leadership over family planning and ensure that clinics and hospitals perform operations in accordance with state-set norms.

Family planning is a national policy in China and a long-term task, she said, adding that technical guidance is a very important measure to curb population growth.

Workers offering such guidance are required to be skilled and competent and patient with people, hence the need to improve their qualities, she said.

Cao Wenying, a woman deputy from Shanghai's suburbs, expressed full support to the motion, noting that some problems do exist in rural areas in terms of family planning. "I've seconded this motion for the purpose of overcoming these problems," she added.

#### Nationalities Policy Praised

OW311702 Beijing XINHUA in English 1506 GMT 31 Mar 87

[Text] Beijing, March 31 (XINHUA) -- Bainqen Erdini Qoigy Gyaincain, vice-chairman of the Standing Committee of the National People's Congress (NPC), today praised the people's government as one serving the people wholeheartedly.

Examining Premier Zhao Ziyang's report on the government work at a panel discussion, Bainqen said that the party and the government give full consideration to the economic and cultural development in the regions inhabited by ethnic groups when working out plans for national development.

What the premier spoke in his report of the policies on the ethnic groups is of great importance to the strengthening of the unity among various nationalities and to the development of their economy and culture, he said.



In his report, Premier Zhao stated: "All government departments and the economically developed localities should give more support and aid to regions inhabited by minority nationalities and accelerate the economic and cultural development there."

Bainqen said that since 1979 the central government has applied a series of special and flexible policies in Tibet, resulting in great changes in every field of endeavor there. However, he said, certain persons do not publicize Tibet's progress and instead rig up vulgar literary works to hurt the feelings of minority people. "This runs counter to China's overall situation," he added.

That is why Premier [Zhao] Ziyang stressed in his Government Work Report the importance of carrying out among the people education in the Marxist outlook on the nationalities and in policies for the unity of nationalities, and of constantly promoting a new-type socialist relationship among all nationalities.

Bainqen described this task as "absolutely necessary" and expressed the hope that people in all walks of life will help publicize changes in areas inhabited by minority people so as to contribute more to the building of advanced socialist ideology and culture and material progress.

#### Prices, Living Standards Reviewed

OW010436 Beijing XINHUA in English 0236 GMT 1 Apr 87

[Text] Leijing, April 1 (XINHUA correspondent Sheng Zhuren) -- China's price readjustments and the impact on the life of its people have become a hot topic among deputies to China's National People's Congress (NPC) during their panel discussions at the ongoing NPC session here.

Through analysis and comparison, deputies agree that although prices in China are rising by various degrees, the people's living standards are rising more rapidly.

Quoting the state Statistics Bureau, deputies are of the view that the standard of living of the Chinese people is improving continuously. Statistics show that the urban retail prices averaged a rise of seven percent in 1986 while the average urban residents' cost of living jumped by 13 percent.

At the same time, deputies are also offering their views on how to carry out the country's price reform successfully. Pan Zhifu, president of the Quizhou Institute of Finance and Economics, said that the existing irrational price structure and price control system must be reformed. Otherwise, further growth of the productive forces will be hampered.

He maintained, "The Chinese people, who have got used to stable prices in the past 30 years, feel uneasy about such a simple law of commodity economy, namely, prices must reflect the relationship between demand and supply. They are psychologically unprepared to accept normal price changes. This is one of the important reasons for the difficulties faced by the current price reform."

Chen Xitong, mayor of Beijing, expressed a similar view. Mentioning the "toilet paper problem" in his city, the mayor said that because of the irrational price, many toilet paper manufacturers cut back their output last year when they failed to make profits. As a result, toilet paper was in short supply.



Faced with this problem, Chen said, the city government did not dare to raise the price of toilet paper for fear of arousing the anger of its citizens. It earmarked hundreds of thousands of yuan to subsidize toilet paper manufacturers, who increased their production. With subsequent adjustment in the price, Beijing's supply of toilet paper has returned to normal.

Deputy Huang Maoheng from Jiangxi Province, East China, said objective laws should be observed in dealing with the question of price. He stood for readjusting the irrational prices and suggested subsidies for those people whose living standards drop as a result of price readjustment.

It is learned that in order to reduce the adverse effects of price rises on retired workers, Beijing Municipality in 1986 added 12 to 17 yuan to their monthly subsidies.

Today, China practises a dual price system, namely, products covered by state quotas are sold at prices set by the state so as to ensure the basic needs of the people are met. Other products not covered by the plan or exceeding the quotas can be sold at prices according to the market demand.

Deputies draw attention to the fact that changes have taken place in the people's consumption pattern over the past few years. Five kinds of goods -- television sets, washing machines, recorders, cameras and refrigerators -- have superseded bicycles, wrist watches, sewing machines and radio sets as the "major items of goods" which were regarded as the criteria of a family's prosperity. Statistics show that average expenditure of every 100 families on these five kinds of goods rose from 10,023 yuan in 1981 to 46,411 yuan in 1986.

Raop Wenkui, research fellow at the Chinese Academy of Agricultural Sciences, stressed that in the future reform, attention should be paid to protecting the interests of the low-income people, although the income level of the majority of consumers can withstand the present price rises.

Two deputies from the Chinese People's Liberation Army suggested that a price law should be formulated and consumers' association be set up to help people adapt psychologically to price readjustments and protect the interests of the consumers.

#### CHINA DAILY COMMENTATOR ON NPC MEETING

HK010428 Beijing CHINA DAILY in English 1 Apr 87 p 4

[Commentator's article: "Beyond the Agenda"]

[Text] About 2,700 men and women are now holding a significant meeting in Beijing -- the annual session of the legislature -- the National People's Congress.

The people's deputies yearly review and approve the cabinet's reports on government work in the previous year and the tasks for the current year. The congress is usually convened at the same time as the Chinese People's Consultative Conference, a national organization with the power to advise on major political issues.

The session had been expected to pass the law on state-run industrial enterprises in the People's Republic. However, the draft was deemed to still need some revision by the NPC Standing Committee. Thus, the agenda may appear somewhat simple, even though it was expanded later to include an evaluation of the Sino-Portuguese pact on Macao's return to China.

This NPC will not enact as many laws as it did at its last session. Nonetheless, it is difficult to fully appreciate the significance of its present session by merely glancing at the agenda.

First, it should be noted that the atmosphere surrounding this meeting has revealed a consensus on the nation's political course. Events at the turn of the year could not prevent the government from charting further progress in economic and political reforms.

Second, it is praiseworthy that Premier Zhao Ziyang stressed thrift in his 200,000-character report to the NPC. His message should be interpreted as a firm determination to improve the economy's cost efficiency and curb investment in projects the nation cannot afford.

This will also benefit the policy of opening up to the world. Just as being judicious does not mean being uncertain, restructuring excessive spending and borrowing can only help stabilize China's economic growth and widen its international co-operative ties in due course. Essentially, the premier's report is a demonstration of the government's sense of responsibility concerning business relations with China's foreign partners and for the well-being of the world economy as a whole.

In addition, the section in Zhao's report on reforming state-run enterprises and the financial system promises a series of new tactics later this year or next year.

Third, further study of the tasks outlined in his report can reveal a scenario in which each task is only a part in achieving balance with roughly two levels of meaning. In the political arena, the criticism of attempts to deviate from socialist principles should not be viewed as being opposed to the commitment to political reform and democracy. Economically, the speed of growth must be balanced with concern for concrete results.

This is the main theme underlying all that China will be doing for a long time -- perhaps throughout its entire reform journey. To smooth this progress, it is clear that both the people and government need more tenacity, skill in handling matters and foresight.

Having found a positive response on the part of many lawmakers at the NPC, Zhao's report has proved to embody much of these. By the time the session is over, the people's deputies should have added more of their collective wisdom to this guideline for state affairs.

#### CPPCC SESSION HOLD SECOND PLENARY MEETING

OW311558 Beijing XINHUA in English 1452 GMT 31 Mar 87

[Text] Beijing, March 31 (XINHUA) -- CPPCC now serves as a very important channel for expressing views from all quarters of the society and conducting social dialogues, said Chen Yu, member of the CPPCC National Committee, at the second plenary meeting of the current CPPCC session at the Great Hall of the People here today.

Chen was one of the eight members of the CPPCC National Committee to speak at the plenary meeting today. Chen Yu said CPPCC now enjoys very active democratic atmosphere. "A fundamental change is taking place in the image of the CPPCC in the eyes of the public," he added. He told the meeting that CPPCC is playing an increasingly important supervisory role by doing various kinds of political consultative work and offering advice to the government on making policies on science and democracy.

Yang Jike, vice-governor of east China's Anhui Province, told his fellow members about the sample surveys conducted last year in rural areas on what adversely affected agricultural production and how to overcome them. He said that he will make greater efforts to carry out more extensive studies to help solve China's food problem.

In his speech, Wang Deshao called for work to encourage healthy trends and combat malpractices. He expressed the belief that the healthy trends will grow and unhealthy tendencies will be eliminated.

Tsui Sze Man, a member from Hong Kong said that patriotic personages at home and abroad have shown great concern over whether the hard won political stability and unity over the past eight years would be affected since students unrest toward the end of last year. But after hearing speeches made by the premier after the Spring Festival and the report he delivered at the current session of the People's National Congress, they feel at ease.

Yang Tianquan, who worked as a budgeting for the United Nations for four decades, said that budgeting is the fundamental criteria for the country's financial and economic discipline and also constitutes the base to govern the country by law.

Once the state budget is approved at the NPC session, he said, the budget will be one of the laws for the country. All the income or expenditure which are not stipulated in the budget will not be taken in or spent, let alone the extrabudgetary spending, he said. If this is done, there will be no deficit.

Geng Shaoguang read a joint speech on behalf of the members working in the press, calling on postal departments not to raise charges drastically for circulating publications. "Raising charges will not be conducive to the development of the press and the building of advanced socialist culture, ideology and material progress," he added.

In her speech, Gu Jianfen, a well-known music composer, expressed her determination to work for a flourishing music of the country.

#### WEN WEI PO ON BEIJING POLITICAL ATMOSPHERE

HK250619 Hong Kong WEN WEI PO in Chinese 25 Mar 87 p 1

[Dispatch by Cheng Haiang (4453 5046), resident correspondent in Beijing: "The Political Atmosphere in Beijing — Beginning the Talk From the Convocation of the NPC and CPPCC Sessions"]

[Text] Beijing, 24 March — The Fifth Session of the Sixth NPC and the Fifth session of the Sixth CPPCC National Committee will be held against the background of the resignation of Hu Yaobang, general secretary of the CPC Central Committee, and of the opposition to liberalization carried out throughout our country. [paragraph continues]



Will this background affect the discussion at the sessions this time? This is a problem for which all deputies and committee members have shown concern.

It has been learned that at the beginning of this year when the drive to oppose liberalization commenced, Zhao Ziyang, acting general secretary of the CPC Central Committee and premier of the State Council, raised a hope that the situation could be stabilized in a month or more so that the sessions of the NPC and the CPPCC National Committee, which would be held in the middle 10 days of March, could carry on in a relatively relaxed atmosphere. Zhao Ziyang has done his best to realize this aim, though this is not easy.

Zhao Ziyang's speech at the Spring Festival gave all people throughout our country something to set their minds at ease and reassured them so that they could spend the Spring Festival in a happy frame of mind. However, some people held that to act according to Zhao's view, opposition to liberalization would become "doing something perfunctorily or superficially." Other people held that Zhao "poured cold water" on opposition to liberalization. These criticisms, however, were firmly refuted by Zhao Ziyang.

In Huairentang of Zhongnanhai, Zhao Ziyang explained the Hu Yaobang incident to the cadres at the central level and also in a practical and realistic way affirmed some work done by Hu Yaobang when he was the general secretary and also affirmed that he was not a person who embarked on schemes and intrigues.

During this period, to stabilize the situation, in addition to issuing the demarcation line of the policies on opposition to liberalization, Zhao also specifically and meticulously instructed all newspapers, journals, and articles not to use "Cultural Revolution-type" language and wording.

On the eve of the sessions of the NPC and CPPCC National Committee, Zhao Ziyang especially went to the CPPCC National Committee Standing Committee to expound to nonparty personages and intellectuals the central principles and policies of not expanding opposition to liberalization.

What set everyone's mind at ease most was that on the eve of the sessions when Deng Xiaoping received foreign visitors, he mentioned again the blueprint of reform of the political structure which would be put forward at the 13th Party Congress and the Central Political Reform Coordination Group, led by Zhao Ziyang, also continued to invite scholars in all fields to give their views on reform of the political structure.

All this shows that the situation has been gradually stabilized and the deputies to the NPC and the members of the CPPCC National Committee can speak without any inhibitions in a relatively normal atmosphere.



JIEFANGJUN BAO OUTLINES CURRENT POLITICAL WORK

HK260854 Beijing JIEFANGJUN BAO in Chinese 16 Mar 87 p 1

[Commentator's article: "Respect History, Base Work on Reality, and Have the Future in Mind"]

[Text] How should we understand and handle the relationship between the need to carry forward our fine traditions and the effort to initiate reform and blaze new trails in political work for the Army in the new period? How should we strive for greater successes in our efforts to initiate reform and blaze new trails? The "Decision of the Central Military Commission on Political Work for the Army in the New Period" has laid down clear guidelines as the basis for unified understanding and correct practice. This guideline is: "Respect history, base work on reality, and have the future in mind," to carry out reform and blaze new trails on the basis of find traditions."

Over the long revolutionary struggle, our Army accumulated rich experience in political work and gradually established a set of relatively complete theories, guidelines, principles, and systems. These are not only the precious wealth and fine tradition but also the fundamental advantages and features of our Army. Since circumstances have changed tremendously in the new historical period some specific experience and practices are of course no longer applicable but need to be revised, supplemented, and extended. However, the basic principle and fine tradition guiding the political work of our Army which embodies the stand, viewpoint, and method of Marxism-Leninism-Mao Zedong Thought are still of great practical and instructive significance and must be carried forward.

Only in this way can political work be carried out along the right track and the effort to introduce reform and blaze new trails be made on a reliable basis. Our Army's political work is by no means a "task which has no precedent and which will not need to be done in the future." In fact there are "traditions to be carried forward and room for further development" in our political work. In our effort to introduce reform and blaze new trails we cannot start from scratch and ignore history but must carry forward our fine traditions. If we place sole emphasis on the change in circumstances but ignore our fine traditions, we are obviously considering the issue apart from its historical context. This being the case, we will not be able to do a good job in introducing reform and blazing new trails.

In emphasizing the need of carrying forward fine traditions, we definitely do not mean that we can stick to conventions without trying to blaze new trails. We are now in a time of all-round reform. Compared to the past, there have been tremendous changes in the guiding ideology for Army building, the Army's structure, the composition of troops, the Army's weapons and equipment, the social environment around it, the situation it is facing, the tasks it is undertaking, and so on. Many new circumstances, problems, and experiences that we have never encountered before need to be studied, resolved, and summarized. This indicates that our political work must be developed along with the developing objective reality. Without development we cannot possibly earnestly carry forward our fine traditions. By developing Marxism-Leninism, Mao Zedong Thought has enabled Marxism-Leninism to play a better guiding role in China's revolutionary practice. Similarly, only by introducing reform and blazing new trails in our Army's political work will our fine traditions gain still stronger vitality through their adaptation to reality. If we always stick to old experiences and ignore the necessity of reform and blazing new trails, our political work will not be able to meet the needs of our Army's program of revolutionation, modernization, and regularization. As for some specific measures that have been proved erroneous to a certain extent in the past or that are impractical today, it will be still more inappropriate if we treat them as fine traditions and indiscriminately copy them.

The principle of "respecting history, basing work on reality, and having the future in mind" means to integrate history, reality, and the future in studying political work, and combine our fine traditions with the effort to introduce reform and blaze new trails in light of historical and actual needs. It is because of the implementation of this guideline that some great achievements have been made in the reform of our Army's political work in recent years. For example, in encouraging soldiers to study sciences and culture and in training qualified personnel that can serve both the Army and local units, the Army has not only given full play to its fine tradition of setting store by education, training, and study of culture, but has also tried earnestly to suit the needs of modernization of the Army and the drive to enrich its education and training program. All these are indeed advantageous to both the building of the Army today and its development in the future. In addition, in promoting socialist spiritual civilization in cooperation with the masses the Army has carried forward its fine tradition in devoting great efforts to the mass work and strengthening the unity between the Army and the government and between the Army and the people. This is indeed a new development to meet the needs of the new situation and new circumstances which is different from the old practices of doing the masses good turns, such as filling water vats and cleaning courtyards for them. Furthermore, the "Eight No Principles" have been promulgated. On the one hand, it is in line with the "Three Main Rules of Discipline and the Eight Points for Attention;" on the other hand, it has added something to the disciplinary requirements for the new period, being specially designed to cope with existing problems. Practical experience has proved that the principle of "respecting history, basing work on reality, and having the future in mind" is a correct guideline for introducing reform and blazing new trails in our Army's political work.

Reform is a process which is to develop further and further through practice. Our Army is facing heavy tasks in the reform of its political work. However, as long as we act according to the requirements laid down by the Central Military Commission, adhere to the guidance of Marxism-Leninism-Mao Zedong Thought, and follow the principle of "respecting history, basing work on reality, and having the future in mind," we will surely be able to score notable results and to ensure that our political work can better meet the needs of Army building in the new period and wars against aggression in the future.

#### JIEFANGJUN BAO ON UPHOLDING PARTY LEADERSHIP

HK260531 Beijing JIEFANGJUN BAO in Chinese 17 Mar 87 p 3

[Article by Liu Fengtang (0491 7685 2768): "Only by Upholding the Party's Leadership Can There Be Powerful Cohesion and Combat Strength"]

[Text] Recently, Comrade Deng Xiaoping has pointed out that if we practice liberalization and cast away the party's leadership, the 1 billion Chinese people will be deprived of cohesion and will therefore lose their combat strength. Comrade Deng Xiaoping's remarks have explicitly explained a truth: Only under the Communist Party's leadership can the Chinese people be united into a strong entity; otherwise, it will be impossible to realize the reunification of the country and the unity of the people and to achieve victories in the socialist revolution and the building of the socialist modernizations.

After reading the modern history of China, all just and patriotic people will know that only the Communist Party can save China. The old China was always called a sheet of loose sand. [paragraph continues]

From the end of the 1840 Opium War to the founding of the Communist Party of China, in order to save the country and the nation, the Chinese people carried out indomitable struggles against imperialism and feudalism for nearly 80 years. During that period, various political parties and organizations also emerged, including the Taiping Heavenly Kingdom, a peasant revolution led by Hong Xiuquan; the Reform Movement of 1898, launched by the liberal bourgeoisie, represented by Kang Youwei and Liang Qichao; the Revolution of 1911, launched by the revolutionaries led by Dr Sun Yat-sen; and so on. Moreover, a large number of doctrines and views also emerged during this period, such as the anarchism advocated by Liu Shifu; the "enlightened autocracy" advocated by Liang Qichao; the "doctrine of work-study" the "doctrine of the new village;" the "doctrine of saving the country through education"; the "doctrine of saving the country through the development of industry"; and so on. However, these doctrines and views all failed. The main reason was that these leaders and political factions were limited by the times and class status. They either cherished unrealistic illusions regarding imperialism or could not cast away the trammels and influence of feudalism. As a result, they could neither put forward thoroughgoing revolutionary programs opposing imperialism and feudalism nor form a strong core of leadership in their struggles, so that they failed to unite the broad masses of the Chinese people to more effectively carry out their struggles.

It was the Communist Party of China that scientifically analyzed the realistic situation and basic contradictions in Chinese society, reflected the fundamental demands of the Chinese people, explicitly put forward revolutionary programs opposing imperialism and feudalism, and led and united the Chinese people to achieve the great victory of the new democratic revolution in the years of struggle aimed at saving the nation and winning the liberation of the people. Since the founding of the People's Republic of China, the CPC has again led and united the people of all nationalities of our country to achieve the great victories in the socialist revolution and the socialist construction. Especially since the 3d Plenary Session of the 11th CPC Central Committee, by bringing order out of chaos and reestablishing the Marxist ideological, political, and organizational lines, the CPC has led the Chinese people to take the road of developing the country and the nation and to make headway on the road of building socialism with Chinese characteristics. However, our party also made mistakes, even such a serious mistake as the Cultural Revolution. But these mistakes were exposed and corrected by our party itself. And it was in exposing and correcting these mistakes that our party became stronger and more mature. This shows that our party has strength and hope, and our party is open, above board, and responsible to the people as well.

The history of China incontrovertibly proves that there have been no political parties like the CPC, which has so faithfully represented the interests of the people and which has united the people of all nationalities and of all social strata in China around itself to build a New China by carrying out hard and difficult struggles in a land which suffered so many deep wounds; there have been no political parties like the CPC in the history of China which have led the Chinese people to successfully open up a new prospect for the building of the socialist modernizations in a big and populous country such as ours, whose national conditions are complicated and which is "poor and blank." The leadership of the CPC has not been proclaimed by the CPC itself, but is the conclusion arising out of China's revolutionary practices over more than 100 years, and is the Chinese people's conscious historical choice. So, it is impossible for the leadership of the CPC to be changed or shaken by any force.

That the CPC has such powerful cohesion and combat strength is because it has Marxist scientific theory, lofty communist ideals, and the goal of serving the people heart and soul. [paragraph continues]



In every historical period in the development of the Chinese Revolution the CPC has been able to formulate correct programs, put forward the concrete objectives of struggle which conform to the situation in China, and attract and closely unite the people of the whole country around itself. During the war years, our party put forward the common objective of defeating Japanese imperialism and establishing an independent, democratic, prosperous, and strong New China. Later, our party put forward the common objective of overthrowing Chiang Kai-shek and liberating the whole of China so as to provide the people of the whole country with a clear orientation of struggle and enable the people of the whole country to unite and become a powerful force with a unified will to win the great victories of the Anti-Japanese War and the War of Liberation. In the present new historical period, our party has also explicitly put forward the common ideal of the people of all nationalities of our country in the present period, which is to build socialism with Chinese characteristics and build our country into a modernized socialist country with a high degree of civilization and a high degree of democracy. According to this ideal, by the end of this century, our country's economy will have reached a well-off standard, and by the middle of next century, our country's economy will have reached the standard of the developed countries of the world. This common ideal and objective embodies the present fundamental interests and wishes of the workers, peasants, intellectuals, and other working people and patriots of our country. Like a sharp laser beam formed from various beams condensed through a laser transmitter, this common ideal and objective closely condenses the ideology, will, and strength of the people of the whole country. Obviously, without the correct leadership of the CPC, a big country like ours, with a population of 1 billion, would not have had a common ideal and objective, would have lost the core of unity and the strength of cohesion, would have become a sheet of loose sand, and would have no combat strength!

Now, some people have publicly opposed so-called "one-party autocracy," and have advocated the implementation of "multiparty politics" and the so-called bourgeois politics of "each party governing in turn." If we do things according to their views and let everyone do things according to his own will, our country will certainly become unstable, our nation will be in a state of disunity, and our hard-won achievements will be ruined! We should see that the "multiparty system" practised in the capitalist countries represents the bourgeoisie scrambling for power and profit, because none of the political parties in the capitalist countries can represent the interests of the working people. The competition and struggles among the various political parties in the capitalist countries can only do more harm to the interests of the working people. Since our CPC represents the interests of the proletariat and the masses, and has no special interests of its own, the CPC has naturally become the core of leadership in our national reunification and national unity. Is it true that abandoning the core of leadership and practising the "multiparty politics" of scrambling for power and profit is to purposely throw our country into disorder? As a matter of fact, our country has been implementing the system of multiparty cooperation under the leadership of the CPC, which is one of the important characteristics and advantages of our country's political system. Since the 3d Plenary Session of the 11th CPC Central Committee, the democratic parties of our country have formulated their own political programs which are to realize the general tasks in the new historical period. The national reunification and the national development have become the political basis and the common goal of the cooperation between the CPC and China's democratic parties in the new historical period. In our country, the democratic parties are neither the parties not in office nor the opposition parties, but are the intimate and friendly parties which give their full cooperation to the CPC and jointly carry out the building of the socialist cause together with the CPC. On the other hand, through the close cooperation with the various democratic parties, the CPC has been able to extensively unite the people of all nationalities and the people of all the social strata of our country. [paragraph continues]



The common interests and ideals have enabled the various democratic parties and the people of all nationalities and all social strata of our country to unite as one and make concerted efforts under the unified leadership of the CPC. The various democratic parties have been able to take part in the consultations concerning the major issues in our country's political life and in the work of making decisions on these issues. Moreover, quite a number of leaders and members of China's democratic parties have also taken part in the work of state power. In accordance with the policy of "long-term coexistence and mutual supervision" and "being loyal-hearted and sharing honor and disgrace," the CPC has been able to respect the decision-making power of the democratic parties and bring into full play the democratic parties' role of democratic consultation and supervision in the work of the CPC and the work of the government. The CPC and China's democratic parties are now making concerted efforts for the accomplishment of the tasks set for the new historical period. It is absolutely impossible to find such a united and cooperative political situation in any capitalist country that practises the "multiparty politics" characterized by keen competition and struggle among different political parties.

The leadership of the CPC is the core of the four cardinal principles and the fundamental guarantee for the victory of our cause. It also enjoys the popular confidence of the people of all nationalities of our country. The long-term cooperation among various political parties under the leadership of the CPC is a new creation formed by the integration of the basic principles of Marxism with the reality of China's revolution and construction and is therefore of great significance to the promotion of the great unity and reunification of the people of all nationalities of our country. The will of the people cannot be reversed and the historical trend cannot be resisted. Anyone who tries to deny the leadership of the CPC and sow discord between the CPC and China's various democratic parties and between the CPC and the broad masses of the people is doomed to fail.

#### YANG DEZHI REVIEWS RECENT DEVELOPMENTS IN PLA

OW271326 Beijing XINHUA in English 1249 GMT 27 Mar 87

[Text] Beijing, March 27 (XINHUA) -- Chief of General Staff of the Chinese People's Liberation Army Yang Dezhi said here today that the Army firmly supports and promotes the current economic reform and defends its fruit.

Speaking at a group discussion on Premier Zhao Ziyang's Government Work Report to the current session of the Sixth National People's Congress, the senior Army commander said that "as Armed Forces under the leadership of the party, the Chinese People's Liberation Army is a major force to defend and construct the motherland and takes the lead in carrying out the party's policies and principles and fulfils the tasks given by the state and government."

Over the past two years, Yang noted, the Army concentrated its efforts on its streamlining program. It has basically completed its task of reducing its personnel by one million, merged the 11 military commands into ten and cut the number of military organizations above the regimental level by more than 4,000.

The Army's weaponry and equipment have also been improved and defense research has been fruitful, Yang recalled. The Army has begun to offer satellite launching service abroad.

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At the same time, Yang said, the reform of military training has helped improve training results and there have been new developments in training personnel who are competent in both military and civilian services. The Army has made major contributions to building socialism with advanced ideology and culture in collaboration with local people, he added.

In 1986, Yang said, the Army put nearly 18 million workdays and more than 800,000 vehicles into 7,000 civilian construction projects and 8,000 items of social welfare undertakings.

In addition, he said, the Army opened 17 military airfields, 17 harbors and more than 90 long-distance telephone and satellite communication lines to civilian use and sent large numbers of men and materials to aid natural disaster victims and saved the lives of more than 200,000 people.

Together with the armed police and people's militia, the Army also performed meritorious deeds in border defense and in maintaining public order.

Yang Dezhi called on the whole Army to continue implementing steadfastly the principles for sustaining a long-term steady economic growth. All Army farms and industrial enterprises must strictly abide by state plans and vigorously support socialist construction and cut the number of capital construction projects to the minimum in order to lighten the burden of the state.

He also called on the Army to continue its active support for the work of the governments at all levels, defend the country and socialist construction and be models in promoting socialist material progress and in building socialism with advanced culture and ideology.

#### YANG DEZHI INAUGURATES SERIES ON PLA MODERNIZATION

OW270149 Beijing Domestic Service in Mandarin 2330 GMT 24 Mar 87

[Report on article by Yang Dezhi, chief of the General Staff of the PLA, to open a series of reports on the modernization of the PLA; from the "Military Life" program]

[Text] Yang Dezhi, chief of the General Staff, points out: Today our Army has evolved from the single army unit of the past to the present combined arms units including the Navy, the Air Force, the Strategic Missile Force, and other technical arms units. Since the 3d Plenary Session of the 11th CPC Central Committee, our Army has entered a new period with the emphasis on the modernization of the Army. We have made great progress in revolutionizing, modernizing, and regularizing our Army. Our work in the Army's structural reform and reduction-in-strength, which has been carried out since June 1985, is proceeding smoothly. Starting from the principle of building a leaner and combined army, peacetime preparation for war, and raising efficiency, we will do more of either eliminating or merging overlapping organizations, reducing noncombatant personnel, forming combined group armies, and reinforcing the strength of technical arms units and reserve forces. Electronics, laser, computer, and other new technologies are increasingly used in training. The level of modern management for training is constantly being raised. Our Army has made new strides in scientific research for national defense and in the development of sophisticated weapons. The heroic PLA is showing its new combat strength in a new form.

Chief of the General Staff Yang Dezhi continues his opening words: People love the Army and care for the building of the Army. As the 60th anniversary of the Army Day draws near, people are eager to know about various aspects of our Army; they are particularly keen to know about the modernization of our Army. Editorial comrades at the military department of the Central People's Broadcasting Station, together with graduate students at the School of Journalism of the Beijing Broadcasting Institute, and military journalists, visited the three military services, organs, and schools, and jointly produced this series of reports on the modernization of the PLA. These reports offer a glimpse of the Army, the Navy, and the Air Force. They also introduce the development of scientific research for national defense, strategic missile units, reserve forces, military academies, artillery units, tank units, communications units, antichemical warfare units, engineering units, and armed police units. Listeners who tune in to this series of reports will get a comprehensive and objective understanding of the modernization of our Army.

Chief of the General Staff Yang Dezhi concludes: I earnestly hope this series of reports on the modernization of the PLA will attain the desired objective and success. Thank you.

#### Second Report on Modernization

OW270156 Beijing Domestic Service in Mandarin 2330 GMT 25 Mar 87

[Report by Hu Chanhuan and unidentified female announcer in the series of reports on PLA modernization about "recent" visit to a "certain" naval base; from the "Military Life" program]

[Excerpts] [Female announcer] Hello, Yong Hu.

[Hu Chanhuan] Hello.

[Announcer] Didn't you say you paid a visit to the Navy recently?

[Hu] Yes, I did.

[Announcer] Whom did you go with?

[Hu] Three of us went. One was Ye Hui, and the other Li Ge. [passage omitted]

[Announcer] Today, can you say something about the modernization of the Navy?

[Hu] Yes. When we visited the South China Sea Fleet, it was conducting a naval exercise of a combined unit, consisting of different types of warship. [passage omitted]

Here is our on-the-spot recorded report:

[Begin Hu recording] I am now in the signal tower of the observation-communication station of a naval base. Built on a cliff, the tower is temporarily being used as a command post for today's exercise. As soon as the radar at the station picked up the targets at 0300, the command post ordered attacking warships to immediately close on them. From the tower, I look down on the sea and can see clearly the first attacking group, consisting of eight guided-missile vessels closing on the targets.



Divided into three subdivisions, the guided-missile craft quickly close on the target, leaving a wake of white foam. [end recording]

[Announcer] Friends, as the naval exercise has begun, we would like to take this opportunity to tell you something about the history of the Navy. [passage omitted]

More than 30 years have passed. Since the beginning the People's Navy, then consisting only of surface ships. Today, it is a combined naval force, consisting of different types of warship, and is mainly a defensive force, capable of joint operations.

[Hu] Yes, underwater we have different types of submarine.

[Announcer] On the surface, we have destroyers, frigates, minesweepers, landing craft, submarine chasers, escort vessels, guided-missile craft, and torpedo boats.

[Hu] In the sky, we have the naval air force, which consists of bombers, fighters, interceptors, and antisubmarine aircraft.

[Announcer] Along the coast, we have our coast guided-missile units and coast artillery of different calibers. We also have a very capable marine force.

[Hu] The People's Navy has become a naval force with a considerable defensive and offensive capability, because it has acquired the capability to conduct independent operations on land, at sea, and in the air. Currently, our People's Navy is in the process of improving its automation, and missile and electronic capabilities. The day has gone forever when China cannot defend its territorial waters.

[Announcer] Yes, the Navy has become a combined naval force, consisting of different arms. This is a fact, illustrated by its equipment and training.

[Hu] Yes, we could see this during our recent covering of the naval exercise by the South China Sea Fleet. [passage omitted] The following is the continuation of the on-the-spot recorded report on the naval exercise:

[Begin First Reporter recording] Following the policy of defending our territorial waters, the Chinese Navy began to equip itself with fast guided-missile boats in the early 1950's. The boat in which I am now standing was designed and built in China. Fast guided-missile boats have become an important part of the Chinese Navy. [end recording]

[Begin Second Reporter recording] [Words indistinct] Currently, commanders and crew in a submarine are concentrating on manning their positions. China's submarine fleet, like China's Navy, grew out of nothing, and expanded from a small to a large force. In the early 1950's we bought a number of submarines from the Soviet Union. Since then, a great change has taken place in China's submarine fleet, following the expansion of China's Navy. The fleet has grown quantitatively as well as qualitatively. [end recording]

[Hu] My other comrades covering the naval exercise have just talked about the development of weapons and equipment in the Navy. In fact, the Navy's weapons and equipment are being constantly improved, replacing old with new. At the same time, there has been an obvious improvement in the quality of these weapons and equipment. For example, navigation depended on compasses, but now satellites are being used to help guide ships. Besides, we have many different and capable guided missiles.



[Female announcer] Yes, because of the constant replacement of weapons and equipment, the People's Navy has enhanced its capabilities to conduct coordinated operations, respond quickly to emergencies, ensure logistical support, and survive for a long period at sea. Currently, the sphere of activities of our country's submarines, surface ships, and naval air force has extended to the Western Pacific and to waters around China's Xisha and Nansha Qundao.

[Hu] When we covered the naval exercise, we were told that, since 1980, the Navy has organized several strategic exercises for high-ranking naval officers. [passage omitted]

[Hu] When the naval exercise concluded, I interviewed (Li Shuwen), chief of staff of the South China Sea Fleet. When I asked him the purpose of the recent naval exercise, he said: Generally speaking, the purpose is to meet the requirements of building a modern, revolutionary Navy, to familiarize sailors with modern naval warfare, and to enhance their combat capability. In fact, the exercise is an overall examination of our weapons, equipment, and our combat personnel's quality. [passage omitted]

[Hu] Yes, I think the People's Navy has scored a number of marked achievements since the 1980's. These achievements are very representative of our People's Navy's degree of modernization.

[Female announcer] Yes, in May 1980, a combined fleet of 13 warships, including guided-missile destroyers, guided-missile frigates, an ocean-going supply ship, an ocean-going dry dock, and a survey ship, entered the South Pacific after sailing across the equator. The fleet plied the Pacific for more than 30 days without making port calls for supplies, thus successfully fulfilling its mission.

[Hu] In October, 1982, a missile was successfully test-launched from a submarine in the Gulf of Bohai.

[Female announcer] In October 1985, a Chinese naval flotilla, consisting of a guided-missile destroyer and a large supply ship, paid friendly visits to Pakistan, Sri Lanka, and Bangladesh.

[Hu] In 1986, a Chinese-built nuclear submarine set a new record for time submerged, speed, and distance for China's nuclear submarines.

#### Submarine Range Extended

OW270306 Beijing Domestic Service in Mandarin 2330 GMT 26 Mar 87

[Report by Hu Chanhuan and unidentified female announcer in the series of reports on PLA modernization about a "recent" visit to a "certain" naval base; from the "Military Life" program]

[Excerpt] [passage omitted] [Hu] Our submarine force has developed rapidly over the past three decades or so since its inauguration in 1954. Naval Commander Liu Huaqing has the following comments: China's submarine force has grown from nothing to a substantial force — an undersea shock force with a certain degree of fighting capability.

[Female announcer] Statistics show that China's submarine force has grown in size dozens of times, both in the number of submarines and its total tonnage over the past three decades and more. And the force has been noticeably modernized.

[Hu] Yes, China's submarine force has extended its activities to the western Pacific and in waters around the Xisha and Nanshan Islands. Thus, we can see that China's submarine force has become an undersea steel bastion defending the motherland's territorial waters. [passage omitted]

#### JIEFANGJUN BAO ON PRC'S NUCLEAR STRATEGY

HK310754 Beijing JIEFANGJUN BAO in Chinese 20 Mar 87 p 3

[Article by Zhang Jianzhi (1728 0256 1807): "Views on Medium-Sized Nuclear Powers' Nuclear Strategy"]

[Text] Abstract: The rapids of the changing international situation challenge the future and destiny of medium-sized nuclear powers. In the eyes of hegemonists, the nuclear deterrent is the same as nuclear blackmail, but the aim of possessing and developing nuclear weapons by peace-loving medium-sized nuclear powers is to force their opponents not to dare launch nuclear wars rashly. China's nuclear strategy can be summed up as a strategy of "limited self-defensive counterattack," which is not aimed at launching and winning any clear wars but at opposing and checking them. [end abstract]

Today, man is living in a peaceful environment marked by the balance of nuclear terror, and confrontation, conflicts, contention, and wars still threaten the existence of mankind. Security and development are common wishes of all sovereign nations. The rapid development of science and technology enables superpowers to escalate their arms race, and it is likely that implementation of the "Star Wars" program would shake the world structure marked by the balance of nuclear terror. The rapids of the changing international situation challenge the future and destiny of medium-sized nuclear powers.

Nuclear force is an important material condition that helps medium-sized nuclear powers free themselves from manipulation and control by superpowers and to play their part in world affairs. In studying the strategic development of national defense of medium-sized nuclear powers, we must examine their nuclear strategy.

#### Different Viewpoints on the Strategic Nuclear Theory [subhead]

The present-day strategic nuclear theory is a science for studying the development of strategic nuclear weapons, the construction of strategic missile units, and the comprehensive use of strategic nuclear force (including operation preparations, social influence, and deterrent effect). It covers international political relations, art of diplomatic struggle, social psychological effect, military strategy, and modern science and technology for national defense. Meanwhile, it is a marginal science that embraces the social, military, and technological aspects.

The strategic nuclear theory serves a dual purpose. On the one hand, it is the theoretical basis for formulating a nuclear war strategy and belongs to the category of military strategic theory; on the other hand, it is a major component in the state security strategy and belongs to the category of the state security strategic theory because it has a direct influence on the state strategy.

With the progressive improvement of the effective range, power, accuracy, existence capacity, and positional pattern of ballistic missiles with nuclear warheads and because of the appalling destructive power of strategic nuclear weapons and their distinguishing feature of being hard to defend, there are now two categorically different views on nuclear wars. Some people think that in no way should a nuclear war be staged; others hold that nuclear war can be won. The two conflicting views have brought about the unceasing development of the present-day nuclear theory.

In the current international disarmament activities and peace movement, political figures and peace-loving people of many countries have devoted their energy and vigor to the cause of peace out of sincere and kind wishes and they are widely appreciated and respected for their devotion. However, some people blindly oppose nuclear weapons because they do not have a sound understanding of the nuclear force and strategic nuclear theory and cannot distinguish between right and wrong. In their view, all nuclear weapons should be opposed no matter who possesses them. They do not consider that nuclear weapons are objective reality in the world today. Demanding total destruction of nuclear weapons from superpowers is not different from asking a tiger for its skin. Even if it were so, that is to say, even if all nuclear weapons on earth are really destroyed and man's society turned to the times of having no nuclear weapons as before World Wars I and II, perhaps the world would not become stable and tranquil immediately.

"In no way should a nuclear war be launched." This is a wide-spread view. At the international forum on "the world after a nuclear war" held in Washington in October 1983, five American scientists initiated the theory of "nuclear winter" pointing out that if the United States and Soviet Union flamed into a nuclear war with an equivalent weight of 100 million tons of TNT, the thick smoke spurted from the fire of nuclear blasts in cities and forests would form a well-distributed smoke cloud in the atmosphere at the altitude of 1-10 km. It would be thick enough to prevent sunbathing (short wave radiation) from irradiating the earth, but it could not prevent ground thermal energy (long wave radiation) from diffusing to outer space. The whole globe (first the Northern Hemisphere) would be shrouded in darkness for several weeks, the land temperature would sink to 15-20 degrees below zero, ice would cover all the ground on earth, and a water resources would be frozen. Under such circumstances, it is likely that most animals and plants, and even mankind, would vanish from the earth. It is reported that the result of research on nuclear war through simulated test under the leadership of Soviet scientist Vladimir Aleksandrov has demonstrated that the consequence of nuclear war is more terrible than people think. "Not a through road." This is the conclusion of scientific theory to nuclear war.

Since no nuclear war should be launched, why should nuclear weapons be developed? This has resulted in the concept of "nuclear deterrent" and the theory of arms control.

The concept of "deterrent" appeared in people's minds since there were wars in the world, but only after the true meaning of all-round nuclear war struck root in people's minds has the concept of "deterrent" constituted a major component of modern security strategy of many countries in the world. In the eyes of hegemonists, the nuclear deterrent is always regarded as equal as nuclear blackmail. However, peace loving medium-sized nuclear powers do not take the nuclear deterrent strategy as a strategy of launching nuclear wars but of forcing their opponents not to dare to launch nuclear wars rashly by means of possessing and developing nuclear weapons. In a certain sense, this strategy can also be termed a strategy of "resisting the nuclear deterrent."



Hollow blackmail cannot last long as a threat. Deterrent must have its reliability. The reliability of the strategic nuclear deterrent lies in three factors: The actual combat capability of missiles with nuclear warheads, and the enemy's understanding of the aforementioned two factors. Therefore, blackmailers must make clear to those who are blackmailed that when it is necessary, they are able and resolved to do what they say. Making an empty show of strength cannot deter others but produces an adverse effect if those who are blackmailed are determined to have a showdown. The Cuban missile crisis is vivid evidence to show that Khrushchev was put in a dilemma precisely because he made an empty show of strength.

In terms of strategy, nuclear weapons have four functions: 1) When manpower, firepower, and military equipment of conventional troops are short, or when they are reduced to inferiority, deployment or use of tactical or war-zone nuclear weapons can make up and readjust conventional forces. 2) In terms of the "positive-defensive" strategy, medium- and short-range missiles with nuclear warheads and tactical nuclear weapons that have actual combat capacity can serve as an actual threat that have actual combat capacity can serve as an actual threat to the enemy's heavy massing of forces and preparations for large-scale offensive. 3) In strategic confrontation, nuclear weapons can work as a backup force at a critical moment and force the enemy to politically consider the problem of its self-defense, thus deterring the enemy's blackmail and intimidation to a certain extent. 4) In border conflicts and wars in which small nations act as agents, the nuclear retaliation capacity of medium-sized nuclear powers can somewhat stop intervention and meddling by big powers.

Just for this reason, the United States, Soviet Union, and France respectively spend 15 percent, 25 percent, and 33.3 percent of their defense spending on the development of strategic nuclear weapons.

#### The significance of Developing Nuclear Weapons for Medium-Sized Nuclear Powers [subhead]

For medium-sized nuclear powers, strategic missiles with nuclear warheads are an important means of containing wars and defending their security. In developing nuclear weapons, there is a relatively stable "saturation point" for all countries, which is marked by "sufficient quantity" and "reliable quality." Before their nuclear weapons reach "saturation point," medium-sized nuclear powers have a deterrent factor too, but they are very liable to have their nuclear force disarmed by the enemy's first attack because the actual combat capability of their nuclear weapons is not yet strong enough. In terms of strategy, this period of time can therefore be regarded as a period of "latent danger." Before the period of "latent danger" is over, their nuclear deterrent is still not reliable and the investment in building their nuclear force should not be readjusted or reduced. After 30 years of painstaking build up, the nuclear arsenals of the United States and Soviet Union are now in a state of "super-saturation." However, several medium-sized nuclear powers have only a small number of nuclear weapons for protecting their own security. Therefore, we should be clear about the essential distinction on the question of disarmament.

Since the United States put forward its "Strategic Defense Initiative," many people have doubted whether it is still useful for medium-sized nuclear powers to possess limited nuclear weapons and whether the stability and balance of the present world power structure will be destroyed. However, the accident of the spaceship "Challenger" threw cold water on some fanatical Americans. Some people have estimated that it will take at least 58 years to fulfill SDI.



It is thus seen that the nuclear deterrent theory of "mutually assured destruction" will remain the key factor affecting the world strategic pattern. Under such circumstances, the superpowers are in a position to destroy medium-sized nuclear powers with their nuclear weapons, but they themselves could not withstand retaliatory blows dealt by medium-sized nuclear powers by launching some dozens or even hundreds of missiles with nuclear warheads. The fact shows that there is a "workable" balance of nuclear forces in the nuclear confrontation between medium-sized nuclear powers and the superpowers.

The research result of "nuclear winter" demonstrates that the disastrous destruction of nuclear war to mankind is far greater than the destruction of mechanical kinetics. The non-kinetic effect of nuclear explosion, such as its influence on climate and the destruction and influence of radioactive dust on man's living environment, is more serious than people imagine. Man's ability to withstand such destructive consequence is limited. As a matter of fact, there is a "trigger" for a nuclear disaster. No matter who they are and no matter why nuclear weapons are used, as long as the power of nuclear explosion grows to a certain degree on the earth, man's existence (regardless of national boundaries, and offenders or those who are offended) will all be terribly threatened. Therefore, some foreign academics maintain that compared with the superpowers, the nuclear force of medium-sized nuclear powers is very weak, but so long as they are able to "trigger" missiles with nuclear warheads, they in fact have a say in the issue of holding power over man's destiny and will thus be on really "equal" political footing. This is why many countries do their utmost to squeeze into the "nuclear club" and why countries that possess nuclear weapons prevent proliferation of nuclear weapons by every possible means. However, for the time being, the writer does not readily subscribe to the above views.

#### Reflection on The Problem of Our Country's Nuclear Strategy [subhead]

In studying our country's strategic nuclear theory, we must study its nuclear policy and strategic principle of positive defense. This provides the fundamental basis for reflecting our country's nuclear strategy. Since its first nuclear experiment in 1964, the Chinese Government has declared time and again that China was compelled to develop nuclear weapons and that its purpose in doing so is to break the nuclear monopoly, oppose nuclear blackmail, strive for the final elimination of nuclear weapons, defend China's independence and security, and safeguard world peace. In no circumstances will China take the lead in using nuclear weapons. China will never proliferate nuclear weapons to foreign countries or deploy them abroad. In developing nuclear weapons, China only wants to pursue a principle -- we have what others have, and anyone who wants to destroy us will be liable to retaliation. Our country still maintains this stand and will continue to develop nuclear weapons in one way or another, but, in any case, on a limited scale. As an academic point of view, the writer believes, out of consideration of self-defense and security, China's nuclear strategy can be summed up as a strategy of "limited self-defensive counterattack," that is, China will develop a nuclear force of limited quantity but fine quality in light of its own national conditions; China will maintain an actual combat capability and is determined to amount a self-defensive counterattack; its nuclear force can play a deterrent role of resisting the superpowers' nuclear threat and nuclear blackmail in peacetime, and will enable the country to launch an effective nuclear counterattack on a limited number of strategic enemy targets once an enemy uses nuclear weapons against our country in wartime.

Our country's strategy of limited self-defensive counterattack has the following main features: 1) Its defensive nature. This embodies that our country loves world peace, does not want to be a superpower, and has no ambition for territorial expansion.

The principle of not being the first to use nuclear weapons was first put forth by the Chinese Government. This shows China's defensive aim in possessing nuclear weapons and its sincere desire to serve peace. 2) Its antideterrent nature. Existence means deterrent, and indefiniteness is the core of deterrent. China's limited nuclear strength, as an important force to check an enemy from rashly launching any war of aggression and from using nuclear weapons against our country, plays an obvious antideterrent role against enemy blackmail and intimidation. 3) Its self-defensive counterattack nature. China's consistent policy is: "We will not attack unless we are attacked; If we are attacked, we will certainly counterattack. China will counterattack only when the enemy uses nuclear weapons first. This shows the safe and serious nature of China's nuclear strategy. 4) Its limited nature. China's national power and resources are limited and peaceful construction is the major element of China's development strategy. Therefore, it is neither possible nor necessary for China to compete with the superpowers in quantity of nuclear weapons. China has limited force and can only mount a nuclear attack on a limited scale against limited enemy targets. 5) Its effective nature. Although China's nuclear strength is limited, it is reliable. China can triumph over a powerful enemy with a limited force. Once it launches a nuclear counterattack, it will surely inflict an unbearable strike on the enemy. The strategy of "launching limited self-defensive counterattack" is not aimed at launching and winning a nuclear war, but at opposing and checking them, and is a strategy that does not hope to see any type of war.

China is a country with an ancient civilization of thousands of years and has been praised as a "state of ceremonies" in the world since time immemorial. Chinese military strategists of past dynasties all advocated "an army fighting for a just cause" and stressed that "troops are lethal weapons and not to be used unless absolutely necessary." Not long after the founding of New China, our country initiated the five principles of "peaceful coexistence" with its neighboring countries; they are our country's consistent principles for guiding its friendly relations with neighboring countries. The history of the past 40 years since the founding of the country has proved that China has always exercised forbearance and restraint in dealing with problems left over by history and border conflicts, taking friendly consultations as the main way to resolve all international disputes. We allow no invasion and occupation of an inch of our territory, and we have no ambition to invade and occupy an inch of other's territory. In mastering and developing guided missile nuclear weapons on a moderate scale, China is playing an essential role in relaxing international tension and maintaining the stability and balance of the world power structure. This is the essential point for studying and thinking deeply about the nuclear strategy of our country.

#### CHEN JUSHENG VIEWS EFFICIENCY IN PUBLIC ORGANS

HK270631 Beijing RENMIN RIBAO in Chinese 19 Mar 87 p 5

[Article by Chen Junsheng (7115 0193 3932), Secretary General of the State Council: "Increase the Work Efficiency of Public Organs" -- excerpts from speech delivered at a forum for secretary generals of eight provinces and municipalities on 29 June 1986, originally carried in 'MISHU GONGZUO' ('SECRETARIAL WORK' No 1 1987)]

#### I

There is a great deal of talk about the work efficiency of public organs at present. Some foreigners are doing business with us and running enterprises in China. They say some of our conditions are rather preferential, but our work efficiency is too low, and they cannot afford the waste of time. There are some more of such complaints about our low work efficiency at home.

Poor work efficiency is generally brought about by the following conditions:

The first condition is the result of arguing back and forth. In public organs, this phenomenon of arguing back and forth affecting work efficiency is very grave. Some people say it is a stubborn disease.

From what people have reflected and what we have directly experienced, arguing back and forth in work has the following expressions:

1. The objective conditions exist for the solution to a problem which, however, remains unsolved for a long time simply because of the objection from a minority. Some people say, "We have too many people who exercise veto in our public organs."
2. A decision is formally made, a correct one at that, but just because it involves the interests of a certain department, unit, or locality, some people will refuse to put it into effect under all kinds of pretexts, and the result is a lot of arguing back and forth.
3. There is a lack of coordination on professional issues between departments concerned, which makes the contradictions between them all the more complicated. Sometimes, upper level departments fail to share common views on certain problems, and they will mobilize their subordinates to resist opposing parties. The professional lower level departments have instructions and backing from each of their superiors, and none of the decisions of the other side are put into effect in the end.
4. Because of the lack of consistency in the documents. Speeches, or remarks by leading members of the same public organ, or contradictions between extension and intension, lower level units concerned will act each according to its own understanding, and each will stick to its grounds; hence, there is arguing back and forth.
5. A profitable undertaking invariably draws the intervention of many departments, with every department demanding a slice of the cake, and none will make any concession. Sometimes, this ends a confrontation.
6. The mentality of monopolized operation works; all other units in the same trade must go, and competition is not tolerated.
7. Professional departments at a higher level intervene in the decisions of governments at a lower level, leading to arguing back and forth.

Of course, some problems are slow in reaching a solution. Superficially, they seem to be caught in a wrangle, but are not actually so. This is because some matters are very complicated, involving the readjustment of the relations of all aspects of interests. They cannot to be decided upon at a single meeting or in a phone call. If an immature decision is made, there will be more shortcomings than merits, therefore, a process of repeated negotiation is involved, in which all parties concerned may argue, each holding its ground. This will be favorable to the rational readjustment of all aspects of interests and the avoidance of onesidedness, thus arriving at a correct decision.



The second condition is the dread of bearing responsibility or shirking it. Some are afraid to bear responsibility, failing to make a resolute decision even when it is not too difficult to size up the situation. When one's higher-up fails to make a decision, and assumes an ambiguous attitude, one has to sit and wait. Some cases are by no means complicated, but when one's higher-up is not resolute in making a decision, one has to suffer confusion, and matters are made complicated. Some problems involve no need for discussions at a meeting, but are submitted for a solution anyway, increasing the number of items on the agenda. When minor issues cannot get on the agenda time after time, they will not be solved promptly. At the same time, chain reactions will take place; if one's higher-up is afraid of bearing responsibility, the more so it is for oneself. As a result, nobody dares to take up the responsibility, and the problem will always remain unsolved.

In other cases, no matter how urgent the reports from one's subordinates are, and no matter how important the cases are, one remains indifferent, takes it easy, and allows the cases to continue to be pigeonholed even if one's subordinates are at the end of their tether. Still others even think it nothing to have carelessly lost a report on important matters from their subordinates.

The third condition is the numerous links and check posts in the circulation of documents, and the lengthy time it takes for their handling. Problems that should been solved in a few days or a couple of weeks now take several months.

And the fourth condition includes the trouble to access public organs, the far from friendly reception, the harsh words to be listened to, and the difficulty in having problems solved. To do business with public organs, some people must spend a long time seeking connections beforehand, looking for a way to have things done. Sometimes they will have to send presents to the houses of those who have substantial power in their hands, and thus handle public affairs in private.

The examples cited above are far from inclusive, and the generalization may not be accurate, but bear evidence of the actual existence of low work efficiency in our public organs. Of course, the ways of its expression, and the degrees of the problems differ.

## II

We should not view the problem of work efficiency of our public organs in isolation, but see it in the view of connection and development, and its consequences in particular.

Low work efficiency shows that some parts and links do not operate well in the machinery of our government and bureaucracy is still a way with some people. The consequences are reflected in many aspects, and more directly in economic results.

China is now undergoing reform, opening up, and enlivening the domestic economy. This requires us to step up the tempo of our work with high efficiency, because the development of commodity production inevitably involves the development of competition. The factor of opportunity in competition is rather important, and there is not equal chance for everybody. He who has higher work efficiency and acts promptly is capable of seizing the opportunity and will eventually win in competition. In an age of developing commodity economy, even if we have stepped up our work tempo, we may still often miss the opportunity. If we follow the old rules of "eating from the same big pot" as we did in the past, we will lose one opportunity after another in commodity competition, and the gap in economy between China and other countries will be ever widening. [paragraph continues]



We often deal with problems of low work efficiency as they stand, without linking them with variations in economic results; therefore, we have failed to see clearly the grave injuries they have done and the urgency in resolving them. It should be pointed out: Our slow work tempo and low work efficiency have already become a great hindrance to reform, opening up, enlivening the domestic economy, and developing commodity economy. Reform itself urgently demands the elimination of this hindrance as quickly as possible.

## III

Great efforts need to be exerted in many respects regarding how to improve work efficiency and to overcome bureaucracy. Linked with the actual conditions of our work, I think we should start with the following aspects:

1. The measures for a basic cure consist of structural reform of administration and strengthening the building of systems and institutions, while the core is to first delegate powers, then streamline the administration.

All low work efficiency of public organs and malpractices are related to overstuffed organization, too detailed division of labor, and overcentralization. In his speech "On the Reform of the System of Party and State leadership," Comrade Deng Xiaoping pointed out: Bureaucracy in the political life of the party and state "is closely connected with our highly centralized management in the economic, political, cultural, and social fields, which we have long regarded as essential for the socialist system and for planning. Our leading organs at various levels have taken charge of many matters which they should not and cannot handle, or cannot handle efficiently. These matters could have been easily handled by the enterprises, institutions, and communities at the grass-roots level, provided we had proper rules and regulations and they acted according to the principles of democratic centralism. Difficulties have arisen from the custom of referring all these things to the leading organs and central departments of the party and government: No one is so versatile that he can take on any number of complex and unfamiliar jobs. This can be said to be one of the main causes of the bureaucracy peculiar to us today." If power is overconcentrated in the hands of a small number of people, while the majority of government workers have no decisionmaking power, the few people who have decisionmaking power will be overburdened, and this will inevitably lead to the malpractices of bureaucracy and low work efficiency. Of course it does not mean that bureaucracy and low work efficiency are independent of problems in ideological style. The structural reform of administration and the change of ideological style should be carried out synchronously; however, the question of administrative structure, systems, and institutions has a greater basic and overall nature. Facts since the 3rd Plenary Session of the 11th CPC Central Committee have proved that some long-standing problems which seemed to be beyond solution were solved with the reform in the administrative structure, systems, and institutions; and their solution has again brought forward the solution of a host of other related problems. Only by carrying out reform in the administrative structure and organizational system, will it be possible to overcome bureaucracy and to solve the problem of low work efficiency in a comparatively thorough way.

The effective way to carry out structural reform of administration is to delegate powers first, then streamline the administration. The results of organizational reform were not so great in the past, mainly because delegation of power had not been genuinely put into practice. In that case, only some simple merger of the organs themselves was implemented. [paragraph continues]

But soon, the personnel would expand all the same, and the organization was once again overstaffed. When some decision-making power is genuinely delegated to everyone, work efficiency will basically improve and become the measure for a basic cure of bureaucracy derived from the structure, systems, and institutions. This is another important step in the self-completion and self-perfection of the socialist system of China. If the decision making power of voluminous affairs is always concentrated in the hands of a few people, the problem will never be basically solved no matter what great efforts are exerted in the improvement of ideology, methods, and style.

Aside from the reform of systems and institutions in the administrative structure, it is also necessary to grasp well the reform and building of the routine work systems. Many existing systems and institutions in our public organs are incomplete and imperfect, and do not help to improve the initiative, enthusiasm, and creativity of the cadres.

Stress must be especially laid on making a clear distinction in the realm of responsibilities in the building of the work system, with a complete and perfect responsibility system and a work evaluation system set up at every tier. It is not the case that the responsibility system is not in existence in public organs, but the problem is that it is not perfect and complete. In some cases, the realms of responsibility are not clearly defined and the targets not explicitly set. A still more important defect is the lack of a strict work evaluation system. Work evaluation should be set up as a strict system of state organs. Through work evaluation, both rewards and punishments will be clearly demarcated. Only then will it be possible to strengthen the sense of responsibility of every cadre, and to guarantee that everyone implements the responsibility system.

At present, two major shortcomings exist in the evaluation of cadres: First, the focus has not been placed on their work attainments, and it is often the case that some of the major points are grasped. And second, there has been the lack of a scientific method of checking, and more often than not the work is done in a formalist way. We should work hard to create some experiences in this respect.

A matter of vital importance is that leading cadres should be bold at taking up responsibility. Regarding those matters which can be ascertained, leading cadres must explicitly state where they stand; this in itself is a motivating force, as well as an order, and will create an atmosphere of being bold at taking up the responsibility from top to bottom. If one should fail to explicitly express where one stands regarding required matters, and uses ambiguous terms while initialling some documents, that would be taking an irresponsible attitude. Of course, regarding certain matters of which one is not sure, it is necessary to study and to have a clear idea about them. We should not make tentative proposals in a muddle-headed way, otherwise, it will easily lead to arguing back and forth.

2. Strengthen work in coordination and correctly handle contradictions arising in work.

Professional coordination is indispensable between state organs. If a good job is to be done in the work of coordination, voluminous contradictions in work can be promptly solved, and arguing back and forth prevented. This is an important work method to improve work efficiency.

Now there is a tendency, which is called "the escalation of coordination." Some problems that could originally be solved through coordination between departments or some comprehensive functional commissions and offices are often submitted to an upper level. Such a practice can only make matters worse, because it makes problem solving even more centralized, and is unfavorable to giving play to the enthusiasm of organs at all levels. Therefore, regarding coordination, it is necessary to stress taking responsibility at every tier.

Regarding matters demanding coordination between ministries, we uphold direct and face-to-face coordination. In resolving major regional and departmental issues, if the parties concerned start from the overall situation, actively take up the responsibility to negotiate a solution with both parties assuming the attitude of active cooperation and mutual support, the incidence of arguing back and forth will be greatly reduced, and work efficiency will be greatly improved.

When a solution to certain issue is impossible through the negotiation of departments, coordination by a comprehensive functional commission or office is necessary. For example, the coordination function of the State Commission for Planning, the State Economic Commission, the State Commission for Science and Technology, and the State Commission for Education should be strengthened. Otherwise, if contradictions are not submitted to them for solutions, the higher levels will have endless problems to attend to, and some of the functional commissions and offices that originally were responsible for coordination may also become one aspect of the contradiction, which will eventually be expanded.

The general offices of governments at all levels should place coordination work in an important place in their own work, and this is their unshirkable duty. However, such occasions of coordination should not be too frequent, otherwise, they will fail to do their routine work, and they would take on what ought to be done by others, and that is unfavorable to giving play to the role of the comprehensive function of other commissions and offices.

When solving an important issue through coordination, it is necessary to pay attention to listening to the lower level units directly involved and the locality concerned, aside from listening to the opinions of all relevant departments. These opinions should not be the sole grounds in our consideration. It is necessary to do our best to avoid being biased in handling every case.

It is also necessary to strengthen the ideological quality in the coordination of professional issues. In coordination, some problems should be settled as they stand, and mediation should be carried on until both parties are in one accord. However, some problems may not come to a solution as they stand; then we must stress the overall situation, style, and the mass viewpoint. In fact, the basic cause of a deadlock in some disputes lies not in the failure to find a better solution, but in the fact that some people will not start from the overall situation, neglect the interests of the masses, focus their attention on some partial interests that are too entangled to unravel, and stubbornly insist on their own opinions. In handling such cases, it is necessary to stress that minor issues should be subordinated to major ones.



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We should be good at resolving contradictions. Particularly when the remarks made on some leading cadres' documents seem to be incongruous to one another, it is necessary to guard against people quoting them out of context and using one or two remarks to avail themselves with loopholes. Regarding such circumstances, we must be good at finding the common points, based on which, we should unify the views of several parties in conformity with principle.

3) Firmly establish the concept of serving the people.

The work of state organs is to render services; it is necessary to do so with high quality and efficiency. In the final analysis, the above-mentioned phenomena of arguing back and forth and all types of irresponsibility reflect the fact that some people have deviated from the basic purpose of serving the people in all government organs of our socialist country. Practice has proved that firmly establishing the concept of serving the people heart and soul is a long-term task as well as the spiritual motivating force for improving quality and work efficiency. The absence of such a spiritual motivating force would be unthinkable in government organs of a socialist country.

4. A sense of pressure and the spirit of forging ahead are necessary. In developing commodity economy, work is more complicated than it was before, and the period of activities for many things is shortened. As a result, people feel pressed for time, and hence, there is a need to efficiently manage one's time. Things are mostly in objective existence; therefore, it is necessary to spend the best of one's time on handling the most important issues, while concentrating one's efforts in every second. That is why it is imperative to cultivate the sense of pressure and the spirit of forging ahead; otherwise, the talk of efficiently spending one's time can only be empty words. We must uphold the style of working meticulously, and working night and day if necessary. Comrade Xiaoping said: "If we fail to make complete and perfect the socialist system today, people will say, 'If some problems can be solved under the capitalist system, why is it that no solution to them can be found under the socialist system?' Such a comparison may not be made in an all-round way, but we should not neglect it on that ground." In this sense, reform can be said to be a competition with emulation of capitalism, and it is necessary to surpass capitalism in all fields. China's practice has proved that so long as we adhere to reform, the socialist system will surely surpass the capitalist system in every respect. However, the advantages of the socialist system are not endowed by the concept of socialism a priori, but gradually make themselves felt through reform to continuously make itself complete and perfect. This requires the diligent labor, wisdom, and efforts in exploration and creation by millions upon millions of people. As workers of state organs, still less should they be complacent with the existing situation, and they must have a sense of pressure, go all out to make the country strong, and make progress enthusiastically through competition.

DENG XIAOPING SIGNS TITLE OF XINHUA HISTORY

OW261752 Beijing XINHUA in English 1047 GMT 26 Mar 87

[Text] Beijing, March 26 (XINHUA) -- A history of the XINHUA bookstore, "Half-Century of Xinhua Bookstore", with its title written by Chinese leader Deng Xiaoping, will soon be published. The volume is being produced to mark the bookstore's 50th anniversary. A companion album of 1,200 photographs is also due.

The XINHUA Bookstore, founded in the revolutionary base of Yanan during the anti-Japanese war, had 735 distribution units and 8,100 employees by 1949; by the end of 1986, the store had 100,000 workers in 8,886 units all over China and sold 5,500 million books last year. The store has sold a total of 105 billion copies of various publications since 1949.

LIAOWANG VIEWS ACTIVITIES AT HEFEI UNIVERSITY

HK271125 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 12, 23 Mar 87 pp 10-11

[Article by Xuan Fenghua (1357 1144 5478) and Tian Wenxi (3944 2429 0823): "A Glimpse of Recent Activities at the China University of Science and Technology"]

[Text] In early March, Hefei was still experiencing a chilly spring. On the China University of Science and Technology campus, ginkgo were budding, and tender yellow leaves burst forth on willows. Amid the green pines and bamboo bushes students were walking energetically and reciting in low voices with total concentration. Here, in the atmosphere of spring was peace, hard work in studies, and the deep contemplation of the students. These were the deep impressions gained by reporters who visited this famous university not long ago.

Aim: Linking Theory With Practice, Becoming Both Red and Expert [subhead]

Since the new term began on 16 February, the 4,700 and more students of the China University of Science and Technology returned to the campus from all parts of the country.

On the campus, the reporters noticed that during self-study time every afternoon and evening, both the brightly-lit classrooms in the lecture buildings and the reading-rooms in the library were filled with students. Many students showed great concern for current affairs and politics. We found them eagerly reading all the latest newspapers and journals either in front of the press boards, which stood at the center of the campus, or in the journal reading-room in the library, whether in the daytime or in the evenings.

The students pay great attention to their specialized courses; at the same time, the number of students studying works of Marxist philosophy and political economics is growing.

According to Teng Teng, president of the China University of Science and Technology, bringing up fine qualified people in science and technology, who have both ability and political integrity, and improving the quality of education are the central tasks of all work on the campus. We should guide the students to do their best to work hard in their studies, to link theory with practice, and to make progress in the orientation of becoming both red and expert. This is the fine school style formulated by the late Guo Morou, founding president of the China University of Science and Technology.

Teng Teng stressed that the university must adhere to reform and opening up while adhering to the four cardinal principles. These two aspects are unanimous and interdependent. It is necessary to correctly handle the relation between politics and specialized studies, namely, the orientation of becoming both red and expert, making progress in both aspects. Regarding the relation between theory and practice, it is necessary to attach importance to both basic theories and their practical application, and to genuinely implement "linking theory with practice."

Dialogues and Understanding [subhead]

Since Peng Peiyun, Teng Teng, and Liu Ji, the new leading members of the university party committee and administration, took office on 12 January 1987, they have frequently held dialogues with the students. [paragraph continues]

Some students pointed out that over the past 2 years or so political and ideological work on the campus had been weak, administration slack, and after-school life monotonous. Others hoped that the university authorities could more often organize lectures, substantial in content, on current affairs and politics, and that political and ideological work could be conducted in a more vivid and lively way with some variation to avoid formalism. At the same time, they demanded more contact with society and participation in social practice. The new leading members of the university earnestly listened to, and adopted the correct suggestions of the students. Right now, they are beginning to solve those problems. President Teng Teng decided to make every Monday his reception day to directly listen to the suggestions from the students, teachers, workers, and staff. Party committee Secretary Peng Peiyun, and Deputy Secretaries Liu Ji and Wang Xuebao often go among the students to have heart-to-heart talks and to exchange views with them. Based on the educational principle of the state and the suggestions and demands of the students, the university authorities are ready to readjust the curricula, and such contents as social practice, social investigation, and production field work will be increased.

It is in such an atmosphere of dialogue that the understanding between the university authorities and the students has been strengthened, and ease of mind has gradually taken the place of their formerly dull and bored state.

After the reshuffling of the leading body of the China University of Science and Technology, many teachers and students were worried that the criticism of Fang Lizhi and the unfolding of the opposition against bourgeois liberalization would lead to negating the past accomplishments and experiences of the university. Regarding this, party committee Secretary Peng Peiyun told the reporters that in her speech at the university-wide gathering in celebration of the Spring Festival, she had pointed out: All past accomplishments of the China University of Science and Technology should be affirmed, and all its good experiences should be inherited and brought forward. At the same time, the university should be bold, and good at eliminating the interferences on its way to progress. She reaffirmed this point to all the teachers and students when the new term began.

In his report delivered to more than 500 students on the evening of 4 March, at the auditorium "Shuishang Ting" [3055 0006 1689 -- Hall Over the Waters] specially designed for academic reports, Teng Teng said that the China University of Science and Technology would be run still better, and would bring up more outstanding qualified people for the state, who are both red and expert. His speech was warmly acclaimed by the students.

#### Profound Review [subhead]

Since the new term began, many students of the China University of Science and Technology have gained new understanding about the upheaval that took place not long ago. Some of them even made painful review. Of their own accord, others reported their state of mind or turned in written reports on their personal experiences to the university or department leadership. A student of the Electronic Computer Department, who had made speeches and aroused the students to take to the streets in demonstration, reported to the department leadership when school was opened, saying: "I am quite sober now; and I believe I did something wrong in the past. We have never participated in any social practice, and had very little understanding about the importance of stability and unity. It was our intention to step up the pace of reform through demonstration, but the results ran counter to our intention, and our actions actually affected and sabotaged the situation of reform, stability and unity."



A student, reviewing his own radical speeches and actions, stated: "All my relatives and teachers, and my brother and sister, as well as my parents, did not approve of my participation in the demonstration and upheaval. With great patience, my elders told me about historical lessons, and the disasters brought about by the turbulent Cultural Revolution. Nowadays, people favor stability, and our upheaval failed to win the approval of the people. It was natural for such actions to meet with social condemnation."

A minority nationality student of the Biology Department took the lead in the "December 5th" demonstration. He came back to the campus one week ahead of schedule for the new term to begin, and reviewed his own actions, saying: "My past was rather simple, for I came to the university straight from home without any social experiences. My thinking was divorced from the actual conditions. I was easily roused when anything happened, and I was rather reckless in my actions. During the winter vacation, my teachers, folks, and relatives helped and educated me with great patience. Through contemplation, I have come to see that my actions injured reform and opening up as well as the interests of the state." He expressed the determination to work still harder in his studies and to dedicate all his talent and intelligence to the four modernizations of the motherland. The student in question was a straight 'A' student, and was elected a people's delegate to the Xishi District of Hefei at the grass-roots election toward the end of 1986. He told the reporters that he would live up to the trust of the electorate of the China University of Science and Technology, actively reflect the demands and will of the people, and become a people's delegate worthy of the name, with an attitude of bearing responsibility for the society.

#### Devoted Love and Care, Patient Enlightenment [subhead]

Party organizations at all levels and the university and department leadership of the China University of Science and Technology have favored earnest contemplation and self-education among the students. During the Spring Festival, the party committee Secretary Peng Peiyun joined the students remaining on the campus in a dinner party, and had heart-to-heart talks with them. Some students who had done wrong felt uneasy; others were even anxious, worrying whether they would come under attack, and be punished. The reporters asked Peng Peiyun about this point, and she said: "Our starting point is the hope for bringing them up as useful talented people conforming to the needs of the four modernizations. It is precisely for this purpose that we are strict in our requirements on them, help them draw a demarcation line between right and wrong regarding major issues, and welcome them to correct their mistakes. With the exception of those violating the penal codes who will be dealt with according to the law, none of the students involved will be investigated and held accountable."

Yu Tianshun, deputy secretary of the general party branch of the Electronic Computer Department told the reporters that none of the 400 or more students of the department has been criticized or punished for participation in the demonstration.

At present, the pace of construction of the new campus site of the China University of Science and Technology has been stepped up, some major scientific research projects will soon make a breakthrough, and the pace of construction of an electronic synchronous radiation accelerator, the first of its kind in China, has been stepped up. The reporters have seen that a peaceful university of science and technology, characterized by hard work in studies and contemplation, is making progress with firm and steady steps in the bright spring on the vast land of the Chang Jiang and Huai He valleys.

'TROUBLEMAKERS' IN DECEMBER UNREST SENTENCED

OW311454 Beijing Television Service in Mandarin 1100 GMT 31 Mar 87

[Text] According to a report by Jiangsu Television Station reporter Jiang Shenming, on 30 and 31 March the Gulou District People's Court and the Xuanwu District People's Court in Nanjing City pronounced three troublemakers, who disrupted social order during a demonstration by a small number of college students on the evening of 25 December last year, guilty.

The defendants, Cheng Keqin, Liu Jun, and Wang Jiabin, sneaked into the ranks of the demonstrating students between the evening of 25 December and 0200 26 December [1800 GMT 25 December] 1986 to carry out sabotage activities. They smashed restaurants, residential quarters, and stalls; disrupted communications facilities; damaged public and private property; and endangered people's safety at Gulou Square, Xinjiekou Square, and other places. They also stopped a motor vehicle and attempted to overturn it, but their attempt was foiled by the traffic police, who arrived just in time.

The defendants admitted their crimes in the face of clear evidence. In order to safeguard normal social order and punish the offenders, the courts, acting in accordance with the relevant stipulations of the Criminal Law of the People's Republic of China, sentenced Cheng Keqin, Liun Jun, and Wang Jiabin to 6 years, 5 years, and 4 years in prison, respectively.

BRIEFS

NEW JIANGSU CANAL PORT -- The expansion project of the Beijing-Hangzhou Canal port in Peixian County was put into operation on 21 March. Coal produced in northern China now can be transported via the Longhai Railway to this port, where it will be shipped via the canal to various coastal industrial cities in southeast China. The expansion project includes enlargement of the port area, mechanization of port operations, and automation of port management, using microcomputers. The annual loading and unloading capacity of the port is 4 million metric tons, and it is currently the largest coal transshipment port along the Beijing-Hangzhou Canal. [Summary] [Beijing XINHUA Domestic Service in Chinese 0921 GMT 23 Mar 87 OW]

SHANDONG'S FOREIGN VISITORS -- Along with the deepening implementation of the policy of opening the country to the outside world, Shandong Province has made rapid strides in foreign affairs work. The province received more than 140,000 foreigners in 1986, an increase of 28 percent over 1985. More than 3,600 people throughout the province went abroad last year. The province has established trade contacts with more than 150 countries and regions. [Summary] [Jinan Shandong Provincial Service in Mandarin 2300 GMT 28 Mar 87 SK]

GUANGDONG OPENS DISCIPLINE INSPECTION MEETING

HK280055 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 27 Mar 87

[Excerpts] A provincial discipline inspection work conference convened by the provincial party committee opened in Guangzhou this morning. The opening session was presided over by Wang Ning, deputy secretary of the provincial party committee. [passage omitted]

In a speech, Wang Ning pointed out that the provincial party committee has attached great importance to this meeting, and had already decided to convene it before the Central Discipline Inspection Commission convened the national conference on discipline inspection work. Last year, Guangdong scored achievements in improving party style. We must further improve the party style as a result of this meeting.

The meeting is expected to last 7 days. Its main tasks are to study in depth and implement the relevant central documents, convey and implement the spirit of the national discipline inspection work conference, uphold the four cardinal principles, oppose bourgeois liberalization, uphold the principle of reform, opening up, and invigoration, gain a clear picture of the guiding idea for discipline inspection work, sum up and exchange experiences in straightening out party style, arrange the tasks of this year's discipline inspection work and consolidate and develop the excellent situation of the whole party working to improve party style in the province.

ENTRY SIMPLIFIED FOR SHENZHEN VISITORS

HK310337 Hong Kong HONGKONG STANDARD in English 31 Mar 87 p 2

[Text] Foreign tourists who wish to visit Shenzhen can not apply for an instant visa at the Lowu check-point.

The service, introduced by the Shenzhen Special Economic Zone authority this month, is meant to boost tourism in the city, a spokesman for the Hong Kong China Travel Service told THE STANDARD yesterday.

"In the past, foreign tourists have had to wait a few days for visas to enter the SEZ. They will be more ready to visit Shenzhen as the procedure can now be done on the spot," he said.

The application fee is \$20 and the visa is valid for five days, he added.

However, the visa will be applicable only for travel in Shenzhen. Those who wish to travel in other parts of China still have to apply for visas before they start their trips.

The conventional application for visas to China normally takes three days for a fee of \$80 and the visa obtained will be valid for three months. A person who wishes to speed up the process to within one day has to pay \$180.

The spokesman added that at present Shenzhen is the only area providing an on-the-spot service. He declined to predict whether it would eventually be introduced in other areas of China.



According to the Immigration Department, 175,000 foreign visitors entered China through Lowu last year, representing an increase of more than 8 percent over the previous year.

The total number of foreign visitors to China through Hong Kong also increased from 798,000 in 1985 to 924,000 last year.

Of the 134,000 foreign tourists who entered China in the first two months of this year, about 31,000 passed through the Lowu check-point.

#### HENAN CPC SECRETARY ON FIGHTING LIBERALIZATION

HK311134 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 30 Mar 87

[Excerpts] A provincial propaganda work conference, which concluded in Zhengzhou yesterday [30 March], stressed that the guiding ideas for the province's propaganda work this year are to firmly grasp the struggle against bourgeois liberalization in the political and ideological field; to conduct in-depth propaganda and education on upholding the four cardinal principles; to effectively strengthen political and ideological work and the building of socialist spiritual civilization; to further consolidate and develop the political situation of stability and unity; and to fundamentally ensure the smooth progress of economic construction, reform, and opening up.

The 5-day conference relayed and implemented the spirit of a national conference of propaganda department directors; earnestly studied central documents and Comrade Zhao Ziyang's important speech; particularly discussed the problem of how to carry out the struggle against bourgeois liberalization resolutely, healthily, and continuously in connection with the province's reality; and arranged the province's propaganda work this year.

Party committee deputy secretaries in charge of propaganda work from all cities and prefectures, propaganda department directors of all city and prefectural party committees, and responsible comrades of the relevant provincial organs attended the conference.

Provincial party committee Secretary Yang Xisong joined in panel discussions and delivered an important speech on upholding the four cardinal principles and carrying out the struggle against bourgeois liberalization.

Comrade Yang Xisong said: The task for socialist modernization can only be fulfilled through the efforts of several generations and over a long period of time. The emergence and protracted existence of bourgeois liberalization is a historical and social phenomenon. Therefore, the struggle against bourgeois liberalization is a protracted and arduous task. We must establish the idea of fighting bourgeois liberalization for a long time and guard against rashness so as to avoid previous practice of launching a mass movement. At present we must pay particular attention to avoid the trends of having a poor understanding of the struggle, failing to exercise effective leadership, and carrying out the struggle perfunctorily or superficially. In accordance with the central requirements, we must carry out the struggle against bourgeois liberalization resolutely, continuously, and healthily. [passage omitted]

On conducting positive education on institutions, enterprises, and schools, Comrade Yang Xisong pointed out: Upholding the four cardinal principles is the core of political and ideological work and the essence of economic work. He said: Conducting education on upholding the four cardinal principles must be combined with education on ideals and discipline, education on democracy and legality, and education on current situation and policies. [paragraph continues]

With our continuing efforts, we must uphold a mass campaign throughout the province of upholding the four cardinal principles, striving to be new people who have lofty ideals, moral integrity, cultural accomplishments, observe discipline, and vigorously build the four modernizations. We must particularly help youths to conscientiously foster a correct world outlook, an outlook on life and an outlook on value; to increase their ability to distinguish between right and wrong, between true and falsehood, between beautiful and ugly, and between good and evil; and to conscientiously resist the corrosive influence of bourgeois ideas and decadent feudal ideas.

Comrade Yang Xisong particularly stressed: We must clearly know the aim of the struggle against bourgeois liberalization and correctly handle three relationships. He said: The basic aim of fighting bourgeois liberalization is to unite more closely the people of various nationalities in the country; to implement still better the policy of reform and opening up on the basis of upholding the four cardinal principles; and to build socialism with Chinese characteristics more effectively. To achieve this basic aim, we must correctly handle 3 relationships:

1. We must properly handle the relationship between upholding the four cardinal principles and adhering to reform, opening up, and invigoration. [passage omitted]
2. We must properly handle the relationship between fighting bourgeois liberalization and launching a drive to increase production, practice economy, increase income, and reduce expenses and must promote economic work by fighting bourgeois liberalization.
3. We must properly handle the relationship between fighting bourgeois liberalization and implementing the "double hundred" policy. [passage omitted]

At the conclusion of the conference, Hou Zhiying, Standing Committee member and Propaganda Department director of the provincial party committee, delivered a summation speech.

#### Views Discipline Inspection

HK010233 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 31 Mar 87

[Excerpts] The provincial discipline inspection conference concluded on 30 March after 5 days in session. The meeting stressed that upholding the four cardinal principles and opposing bourgeois liberalization is a current major content of seriously enforcing the party's political discipline and is also one of the main tasks of the party's discipline inspection work. [passage omitted]

Lin Yinghai, secretary of the provincial Discipline Inspection Commission, gave views on discipline inspection work in 1987. The general demands are to uphold the four cardinal principles, strictly enforce the party's political discipline, support and ensure the reforms, and make discipline inspection work an important force for promoting reforms. It is necessary to continue to get a good grasp of correcting unhealthy trends, further promote education in party spirit, strengthen the building of the discipline inspection organizations, and bring their supervisory role into play.

Provincial party committee Secretary Yang Xisong made an important speech at the conclusion of the meeting. He said: The party organizations at all levels must fully realize that launching opposition to bourgeois liberalization in the political and ideological fields is an arduous, complex, and long-term struggle. We must take a firm, clear-cut, and resolute stand and carry it out in a healthy and sustained way.

Discussing how discipline inspection work should support and ensure the reforms, Yang Xisong stressed five experiences summed up by Comrade Lin Yinghai in his speech. He said: We must grasp two major aspects: First, we must hold firm to the overall situation of reform and construction, and focus our analysis and solution of reform and construction, and focus our analysis and solution of problems on whether our actions will help to uphold the four cardinal principles and to stimulate reforms and opening up. Second, we must resolutely investigate and deal with violations of discipline and unswervingly do a good job in straightening out party style.

Comrade Yang Xisong fully affirmed the success of discipline inspection work in the province in recent years. [passage omitted] However, he said, there are still some serious unhealthy trends within the party. Hence, the work of straightening out and correcting them can only be stepped up, and cannot be relaxed. He demanded that the discipline inspection commissions and their cadres at all levels be bold in sticking to principles, act in an impartial and uncorruptible way, and dare to struggle against unhealthy trends. Party discipline must be strictly enforced on those, especially leading cadres, who seriously abuse their powers, indulge in bureaucratism, and violate law and discipline to a serious degree.

Yang Xisong stressed in conclusion that the whole party must work to improve party style. [passage omitted]

#### HUBEI CPC SECRETARY NOTES TOWNSHIP ENTERPRISES

HK300613 Hubei Wuhan Provincial Service in Mandarin 1000 GMT 29 Mar 87

[Text] This morning, in a discussion meeting with responsible comrades in charge of town and township enterprise work from all prefectures, cities, and autonomous prefectures, provincial party committee Secretary Guan Guangfu urged all localities to refer to the experiences of Jiangsu and Zhejiang, to take advantage of Hubei's strong points, and to break new ground in developing town and township enterprises.

Comrade Guan Guangfu said: We must implement the policy of vigorously and steadily developing town and township enterprises and giving various supports to the development. Vigorously developing town and township enterprises is a requirement for increasing the reserve strength of agriculture, for readjusting the production structure, for transferring rural labor force, for building modernization in the rural areas, for achieving the target of building the rural and urban areas into an integral whole, and for invigorating the whole national economy. All localities must proceed from their practical situations, and steadily develop town and township enterprises in a practical way. The operation, management, and technological levels of all localities and their strong points in natural resources are different. So the demands on them should be different. It is inappropriate to set the same demands on them. All localities must develop town and township enterprises on a basis of self-reliance and according to their own abilities. They must do their best in this respect and pay attention to efficiency. They must avoid making bricks with straw or [words indistinct].



Guan Guangfu also demanded that all trades support town and township enterprises, strengthen business management, and improve service. It is prohibited to [words indistinct]. The policy of releasing water to breed fish and raising chickens to get eggs should be adopted. It is prohibited to illegally levy charges. As for the malpractice of a handful of areas shifting burdens to town and township enterprise, it must be prohibited and curbed.

Also attending today's discussion meeting were provincial party committee Deputy Secretary Qian Yunlu, Vice Governor Duan Yongkang, and Chen Ming, adviser to the provincial government.

#### HUNAN PARTY COMMITTEE HOLDS PLENARY SESSION

HK290154 Changsha Hunan Provincial Service in Mandarin 2300 GMT 28 Mar 87

[Text] The Fifth Hunan Provincial CPC Committee held its third enlarged plenary session in Changsha on 27 and 28 March. The session was attended by members and alternate members of the provincial party committee, members of the provincial Advisory and Discipline Inspection Commissions, principal responsible comrades of the provincial organs, former Central Advisory Commission member Comrade Zhou Li, and principal responsible party-member cadres of the provincial People's Congress Standing Committee and government.

The agenda of the session consisted of discussing and drawing up a list of Hunan candidates to attend the 13th party congress.

Comrade Mao Zhiyong presided at the session. Comrade Xiong Qingquan made a speech. Comrade Sun Wensheng, member of the provincial party committee Standing Committee and director of the Organization Department, gave explanations on the method of allocating Hunan's delegates to attend the 13th party congress and the situation regarding the list of candidates drawn up.

After full debate and discussion, the session decided on the list of Hunan candidates to attend the 13th party congress and made the necessary preparations for the provincial conference of party delegates to formally announce the list of Hunan delegates to the congress.

The session called on party members and the people of all nationalities in the province to work hard and score outstanding successes to greet the victorious convening of the congress.

GUIZHOU NOTICE URGES STRONGER RESERVE ARMY UNITS

HK310307 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 30 Mar 87

[Text] The provincial party committee, government, and military district jointly issued a circular on 30 March demanding that all levels further strengthen the building of the reserve Army units.

The circular demanded that the party committees and government at all levels further enhance their understanding of these units, strengthen leadership, and periodically review the situation. They should actively study and resolve problems in building the reserve units.

The circular laid down specific provisions regarding further harmonizing relations between the reserve divisions and regiments on the one hand and the military subdistricts and county and city people's armed forces on the other in all respects, resolving problems of barracks, cadre assignment, and management for the reserve divisions and regiments, and carrying out organizational building and military training of the reserve units, and put forward a series of demands on these matters.

The circular stressed that it is essential to strengthen political work for the reserve units and conduct education for the cadres and fighters in upholding the four cardinal principles and opposing the ideological trend of bourgeois liberalization. It is also necessary to conduct education in the nature, tasks, and role of the reserve units and in the party policies and principles concerning them. It is necessary to establish the idea of making contributions to national defense construction.

It is necessary to launch extensive activities of joint building of spiritual civilization by Army and people, and to organize and mobilize the reserve units to actively take part in building civilized villages and units. They should take the lead in learning from Lei Feng, doing good deeds, observing discipline and law, and preserving social order.

It is necessary to vigorously launch activities of nurturing arms with labor and helping the poor to get rich, and take the initiative in shouldering difficult tasks, so as to make contributions in invigorating the local economy.

YUNNAN MEETING VIEWS DISCIPLINE INSPECTION TASKS

HK280621 Kunming Yunnan Provincial Service in Mandarin 2300 GMT 27 Mar 87

[Excerpts] A provincial discipline inspection work conference which concluded on 27 March proposed that this year discipline inspection work must be centered on strictly enforcing the party's political discipline and on becoming a major force stimulating the reforms. It is necessary to investigate and deal with major cases, correct unhealthy trends, and step up education in party style and inner-party discipline. [passage omitted]

Li Shuji, deputy secretary of the provincial party committee, gave a number of views on this year's tasks at the meeting. After affirming the achievements in discipline inspection work last year, he spoke on three main topics: 1) the current major tasks; 2) the party committees and discipline inspection commissions at all levels must seriously resolve the problems of supervision over leading party-member cadres; and 3) it is necessary to step up the building of the discipline inspection force itself. [passage omitted]

SHAANXI CPC LEADER ON DISCIPLINE INSPECTION

HK310222 Xian Shaanxi Provincial Service in Mandarin 0030 GMT 31 Mar 87

[Excerpts] Provincial party committee Secretary Bai Jinian stressed in a speech at the provincial discipline inspection work conference yesterday that the party organizations at all levels must put the work of straightening out party style on their agenda and vigorously support the work of the discipline inspection departments. The discipline inspection cadres must brace their spirits, clear away interference, and make contributions to straightening out party style. [passage omitted]

Comrade Bai Jinian said: In straightening out party style, we must certainly not be scared by rumors and slanders or shaken by a diversity of comment. We must firm up our confidence, clear away interference, and carry through to the end the work of straightening out party style and correcting unhealthy trends.

Bai Jinian demanded that education in upholding the four cardinal principles be vigorously launched and resolute opposition to bourgeois liberalization be promoted in the political and ideological field. He said: This struggle is a long-term task. We must carry it out in accordance with the scope and policies set by the central authorities. In the struggle against bourgeois liberalization, we must continue to get a good grasp of the work of straightening out party style and correcting unhealthy trends. We must correctly understand and handle the relationship between straightening out party style and the struggle against bourgeois liberalization. The latter is mainly aimed at resolving problems of political discipline, and is also a major aspect of straightening out party style and correcting unhealthy trends. However, it does not comprise the whole of this work.

In the face of unhealthy trends, there are three kinds of erroneous attitudes: 1) wailing and moaning, loss of confidence, and negative pessimism; 2) acting like a bystander and making empty comments without being willing to take any practical action; 3) on the one hand, expressing discontent at the unhealthy trends of others while, on the other, indulging in unhealthy trends oneself. These three kinds of erroneous attitudes exist among leading cadres as well as ordinary cadres. Some people shout loudly about straightening out party style, yet they themselves indulge in malpractices. When others object to this, they fly into a rage and harbor grudges and hatred.

Stressing the major affair of concentrating forces for opposing bourgeois liberalization in the political and ideological field certainly does not mean that straightening out party style and correcting unhealthy trends and be slackened. The party committees and discipline inspection departments at all levels must pay close attention to this point. We must ceaselessly grasp the work of straightening out party style and correcting unhealthy trends.

Bai Jinian stressed that it is imperative to enforce party discipline, especially political discipline. We must eliminate all kinds of liberalism. He said: The various expressions of liberalism that Comrade Mao Zedong spoke of 50 years ago still exist in our party and among our cadres today. There are unhealthy trends both in the party and in society, such as spreading gossip, and making up and spreading rumors.

Comrade Bai Jinian expressed the hope that everyone will act according to the central and provincial party committee decisions and to the party's principles and policies.



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PRC REGIONAL AFFAIRS  
NORTHWEST REGION

Comrade Bai Jinian stressed that the party committees at all levels must further strengthen leadership over the work of straightening out party style and correcting unhealthy trends and vigorously support the work of the discipline inspection departments. He said: These departments are the effective assistants of the party committees in straightening out party style. At present the tasks on the discipline inspection front are extremely arduous, and the work of the discipline inspection cadres is extremely hard. The leading cadres of the party committees at all levels should support the work of the discipline inspection commissions. They should help them in handling cases in a fair and impartial manner. People who attack, frame, and even deal blows in revenge against discipline inspection cadres must be dealt with severely.

Comrade Bai Jinian demanded that the discipline inspection commissions at all levels serve as effective assistants of the party committees in doing a good job of straightening out party style. [passage omitted]

#### BRIEFS

TECHNIQUE INCREASES WHEAT OUTPUT -- Xian, March 30 (XINHUA) -- A new fertilization technique helped farmers on the dry Weishui River, Northern Shaanxi Province, harvest 500,000 tons more wheat last year, a local official reported. The increased yield was the result of a project employing the deep injection of nitrogen and phosphate fertilizers on 133,000 hectares of wheat fields. With this method, roots of wheat plants can grow to 2.7 meters deep compared with 1.4 meters before the application, which allows roots to draw more water from deep soil. Average wheat output was three tons per hectare last year compared with less than 1.28 tons per hectare in 1980. Senior agro-technician Li Like discovered the technique in 1981 when he determined wheat crops were shallow-rooted because of a lack of phosphorus in the soil. A project using the deep injection of nitrogen and phosphate fertilizers was proposed by a research group from the Northwest Agricultural University in 1982 after experimenting on a small tract of wheat fields. The technique, perfected over the past two years, is now being used in 23 counties on the plain in combination with better hybrid seeds and new cultivation methods. [Text] [Beijing XINHUA in English 1529 GMT 30 Mar 87 OW]

SPOKESMAN ON COMMUNIST PEACE POLICY, MACAO ISSUE

OW311115 Taipei CNA in English 1042 GMT 31 Mar 87

[Text] Taipei, March 31 (CNA) -- Foreign Ministry spokesman Cheyne J.Y. Chiu Tuesday [31 March] warned the free world of the Soviet Union's united front tactics and the communist bloc's so-called "peace offensive."

Chiu said at a press conference at the Government Information Office that the Soviet Union has been aggressively pursuing its united front tactics since its leader Mikhail Gorbachev assumed his post in 1985. But, Chiu said, the Soviet Union has never changed its expansionist policies.

Chiu said that recent visits by Soviet Foreign Minister Eduard Shevardnadze to Asian-Pacific countries including Indonesia, Thailand, Australia, Vietnam, Kampuchea and Laos are aimed at increasing its power and launching its "peace offensive" in the area to weaken U.S. influence. The free nations of the world should heighten their vigilance against the Soviet Union's expansion, Chiu said.

Concerning the future of Macao, Chiu also said that the government is very concerned about the freedom and welfare of Macao citizens and concrete measures, currently under study by an ad hoc committee in the Executive Yuan, will be made public at a proper time.

Chiu stressed that the Chinese Communists are a group of rebels. They have no right to sign any agreement with foreign nations on behalf of China and the Chinese people. The agreement on Macao (reached between) the Chinese Communists and Portugal is null and void, and not recognized by the Republic of China.

FOREIGN MINISTER DENIES AID TO CONTRAS

OW310807 Taipei CHINA POST in English 26 Mar 87 p 12

[Text] The Republic of China has never supplied arms or financial aid to U.S.-backed Nicaraguan rebels, Foreign Minister Chu Fu-seng said yesterday.

Chu made the denial in reply to an interpellation by Legislator Chien Yu-hsin.

Meanwhile, in answer to an interpellation by another lawmaker, Chu said his ministry is currently training 50 to 70 foreign service personnel to fill in a shortage of manpower in ROC embassies and representative offices.

Chu said his ministry is also considering local hiring of Overseas Chinese or students from Taiwan studying abroad to resolve the problem.

DPP BOYCOTTS DRAFT NATIONAL SECURITY LAW

OW310805 Taipei TZU LI WAN PAO in Chinese 25 Mar 87 p 2

[Text] The Legislative Yuan of the Democratic Progressive Party (DPP), at a meeting on the afternoon of 24 March, decided to boycott the draft National Security Law in its entirety and to hold meetings throughout the province, beginning on 28 March, to explain the boycott.

The DPP Legislative Yuan will reportedly continue its "fight for every square inch" tactics in parliament, actively participate in the general discussion of the draft National Security Law, and discuss it article by article. But it will fully oppose the enactment of the National Security Law, and criticize the law article by article. The DPP group will go so far as to criticize the law sentence by sentence and word by word when it is discussed at Legislative Yuan plenary meetings.

The DPP group has also decided to hold meetings throughout the province beginning on 28 March to explain to voters its boycott of the National Security Law. The timetable for these meetings has been set.

#### EDITORIAL LAUDS SIGUR REMARKS ON U.S.-TAIWAN TIES

OW250957 Taipei CHINA POST in English 21 Mar 87 p 4

[Editorial: "U.S.'s Affirmation"]

[Text] U.S. Assistant Secretary of State Gaston Sigur's remarks Wednesday affirming the strong friendship between the United States and the Republic of China [ROC] were most timely and serve to dispel whatever misgivings resulting from U.S. Secretary of State George Shultz's remarks in Shanghai.

Sigur stated before the Defense Panel of the House Armed Services Committee that the U.S. is pleased with the "political evolution, more democracy, economic prosperity and rising living standard" in the Republic of China. He also affirmed that the people-to-people relationship between the ROC and the U.S. is very strong even though no formal diplomatic ties exist between the two countries. He said that there is a special relationship between the ROC and the U.S. under the framework of the Taiwan Relations Act and the U.S. has lived up to that act.

Although Sigur's remarks contain nothing new, his reiteration after Secretary Shultz's Chinese mainland visit has some significance to counteract speculation that the visit might be detrimental to the cause of the Republic of China.

While Sigur declined to comment on the strategic relationship between the ROC and the United States, his acknowledgement that the U.S. is pleased with development in Taiwan and that the ROC is moving ahead are significant.

Sigur's remarks will go a long way in refuting misleading statements by leftists in and outside of the U.S. Congress to undermine the cordial relations between our two nations as a result of Chinese Communist lobbying in the United States, as well as lobbying by the Taiwan Independence Movement, whose members have been branded by a U.S. Court as terrorists.

The recent visit to the Republic of China by David Laux, chairman of the American Institute in Taiwan, has also been most helpful to a correct understanding of the situation here. His advice to Democratic Progressive Party [DPP] members to seek reform peacefully is highly appropriate as he has seen what a disruptive force the DPP members are. As a result of his visit March 4 to 17, Laux further supported Sigur's views on the situation here in the Republic of China.



AGENDA OUTLINED FOR MAY TRADE TALKS WITH U.S.

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[Text] Taipei, March 25 (CNA) -- The annual Sino-American trade consultations, a focal point of public concern, will be held in Washington, D.C. in early May, officials of the Board of Foreign Trade [BOFT] said Wednesday.

The meeting will be one of the most important forums in which trade officials of both countries work on current problems and decide future action.

BOFT officials said they have received the American agenda for the meeting and have passed it to the policymaking Sino-American Trade Committee for study.

BOFT Director General Vincent C. Siew, who is a veteran in trade talks with the U.S., is expected to head the Chinese delegation again to the Washington negotiations.

The American side, officials said, has raised four major topics for the upcoming talks. They are:

- Further opening of imports. The ROC [Republic of China] is asked to open imports of seven agricultural products, including pears and animal intestines.
- Continued lowering of tariffs. The Americans demand that the ROC continue lowering its tariffs, including those on 66 items that the U.S. requested earlier.
- Procuring for six major construction projects. The U.S. requests that the ROC give priority to American products for its six major construction projects.
- Protecting of intellectual property rights. The U.S. wants the law to cover protection of patent rights, intellectual property rights and other such rights.

The Chinese will raise the following issues at the talks: Setting up Sino-American free trade zones, establishing a trade arbitration organization and reviewing the Sino-American rice export agreement.

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